

Proposed Rules

Federal Register

Vol. 91, No. 126

Thursday, July 2, 2026

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

OFFICE OF PERSONNEL MANAGEMENT

5 CFR Part 250

[Docket ID: OPM–2026–0368]

RIN 3206–AO77

Personnel Management in Agencies: Strategic Human Capital Management

AGENCY: Office of Personnel Management.

ACTION: Proposed rule.

SUMMARY: The Office of Personnel Management (OPM) proposes amending 5 CFR part 250 by replacing Human Capital Operating Plans (HCOPs) with Annual Staffing Plans (ASPs), Human Capital Reviews (HCRs) with Annual Staffing Reviews (ASRs), and the HRStat quarterly review process with Quarterly Staffing Plan Performance Reviews. The proposed changes also strengthen the role of the agency Chief Human Capital Officer (CHCO) by requiring the CHCO to have appropriate visibility, control and oversight of human capital functions within the agency. The proposed rule would modify, and reduce in number, the required survey questions for annual employee surveys.

DATES: Comments must be received on or before August 3, 2026.

ADDRESSES: You may submit comments using the Federal eRulemaking Portal: <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments received after the close of the comment period will be marked “late,” and OPM is not required to consider them in formulating a final decision. Before acting on this proposal, OPM will consider and respond to all comments within the scope of the regulation that OPM receives on or before the closing date for comments. Changes to this proposal may be made in light of the comments received.

The general policy for comments from members of the public is to make them available for public viewing at <https://www.regulations.gov> without change, including any personal identifiers or

contact information. However, OPM retains discretion to redact personal or sensitive information from comments before they are posted.

As required by 5 U.S.C. 553(b)(4), a summary of this rule may be found in the docket for this rulemaking at www.regulations.gov.

FOR FURTHER INFORMATION CONTACT: Ms. Makisha Brown at (202) 606–2796 or by email at workforce@opm.gov.

SUPPLEMENTARY INFORMATION:

I. Background

Federal agencies operate in a complex environment characterized by evolving mission demands, rising public expectations, rapid technological advancements, and the need for efficient, effective service delivery. To meet these challenges, agencies must move beyond traditional, transactional personnel management toward a strategic, modern human capital model that treats workforce decisions with the same rigor used in successful private-sector organizations. This shift is essential for building and managing a Federal workforce that is highly skilled, agile, and capable of adapting to emerging priorities while maintaining quality government services.

Effective human capital management is essential to enable agencies to anticipate mission needs, recruit and retain critical talent, and build long-term organizational capacity. It supports a Federal workforce that is not only competent and mission-focused but also innovative, responsive, and prepared to navigate uncertainty. Often attributed to management theorist Peter Drucker, a common principle is that organizations cannot effectively manage what they do not measure. This approach requires clear metrics, closer to real-time analysis, performance differentiation, and regular accountability reviews to assess progress on the pathway to higher performance and specific workforce objectives. By grounding workforce decisions in data, evidence, and forward-looking planning, agencies strengthen their ability to deliver programs that meet the needs of the American people.

To advance this transformation, agencies must adopt integrated and evidence-based human capital strategies and systems that are aligned with mission priorities. These strategies and systems encompass workforce planning,

talent acquisition, reskilling and upskilling, leadership development, and performance accountability. Agencies that embrace this integrated approach are better positioned to deploy talent effectively, enhance organizational resilience, and improve mission delivery.

Reflecting these needs, OPM developed this proposed rule amending 5 CFR part 250 to reinforce statutory human capital responsibilities and strengthen governmentwide workforce management practices.

OPM guides, enables, and assesses agency strategic human capital management processes. See 5 U.S.C. 1103(c). This proposed rule would amend 5 CFR part 250 to apply these principles and best practices to Federal human capital management and reinforce OPM’s statutory responsibilities under 5 U.S.C. 1103(c). By replacing static planning documents with dynamic, measurable tools and embedding a quarterly performance cadence consistent with Executive Order (E.O.) 14356, *Ensuring Continued Accountability in Federal Hiring* (90 FR 48387, Oct. 20, 2025), the proposed rule would give agency leaders the same business-oriented capabilities used by private-sector executives: frequent visibility into workforce metrics, direct linkage between staffing and mission outcomes, and the ability to make timely, evidence-based adjustments. It would embed accountability, foster cross-functional coordination, improve data analytics, and ensure mission-aligned, performance-oriented strategies.

A. Legislative History

In 2002, the Chief Human Capital Officers Act of 2002 (Pub. L. 107–296, 116 Stat. 2289) (CHCO Act) was enacted to elevate human capital management to a strategic level across the Federal Government, comparable to financial and information technology management. The CHCO Act responded to long-standing concerns about the need for more effective, mission-aligned workforce planning, particularly in the wake of the September 11, 2001, terrorist attacks and the creation of the Department of Homeland Security. The Act also established agency Chief Human Capital Officers and the Chief Human Capital Officers Council (CHCO

Council) to advise and coordinate on governmentwide human capital issues.

Congress's impetus for passing the CHCO Act was vividly described by its sponsor, Sen. George Voinovich, as follows: "During the course of 12 hearings and numerous meetings with national leaders in management and public policy, it became crystal clear that we were in the midst of a human capital crisis in the U.S. Government." 148 Cong. Rec. S11169–01, S11182, 2002 WL 31537145. Sen. Voinovich defined this "human capital crisis" as "the inability of the Federal Government to properly manage its workforce." *Id.* In light of this crisis, it was necessary, Sen. Voinovich believed, to "give human capital a much higher priority in the Federal Government, just as it is given in most corporations that are successful." *Id.*

To give human capital management a higher priority within the Federal Government, Congress created the position of Chief Human Capital Officer (CHCO) at all agencies covered under the Chief Financial Officers Act (31 U.S.C. 901(b)). *See* 5 U.S.C. 1401. Congress assigned the CHCOs great responsibilities at their agencies. They must, as their primary duty, advise and assist the agency head and other agency leaders in selecting, developing, training, and managing the agency's workforce. *Id.* And they must, as a further primary duty, implement the rules and regulations of the President and OPM and the laws governing the civil service within the agency. *Id.* CHCOs are also responsible for workforce planning and development at their agencies. 5 U.S.C. 1402(a). To perform their duties, Congress required that the agency CHCO have access to all information available to the agency that relates to the programs and operations under the CHCO's control. 5 U.S.C. 1402(b).

To better coordinate strategic human capital management across the government, the CHCO Act established the CHCO Council. The CHCO Council must be chaired by the OPM Director, with the Deputy Director of Management of the Office of Management and Budget (OMB) as the Vice Chair, and all CHCOs as members. *See* 5 U.S.C. 1401 note. Further, it must meet periodically to "advise and coordinate" regarding government-wide human capital challenges. *Id.*

The CHCO Act also directed OPM to design a set of systems, including appropriate metrics, for assessing the management of human capital by Federal agencies and to define those systems in regulation. 5 U.S.C. 1103(c). The systems, which "shall be defined in

regulations of the Office of Personnel Management," are required to include standards addressing:

- aligning human capital strategies of agencies with the missions, goals, and organizational objectives of those agencies and integrating those strategies into the budget and strategic plans of those agencies;
- closing skill gaps in mission-critical occupations;
- ensuring continuity of effective leadership through implementation of recruitment, development, and succession plans;
- sustaining a culture that cultivates and develops a highly performing workforce;
- developing and implementing a knowledge management strategy supported by appropriate investment in training and technology; and
- holding managers and human resources officers accountable for efficient and effective human resources management in support of agency missions in accordance with merit system principles.

Id. This authority built upon the Civil Service Reform Act of 1978 (Pub. L. 95–454, Oct. 13, 1978), which created OPM to replace the former Civil Service Commission and emphasized the modernized administration of the civil service under merit system principles. It also built on E.O. 13197, *Governmentwide Accountability for Merit System Principles; Workforce Information* (Jan. 18, 2001). E.O. 13197 promulgated Civil Service Rules IX and X, which allow OPM to collect workforce data from Executive agencies and give OPM the power to set standards for application of merit system principles in agencies and review the human resources management programs and practices of any agency for effectiveness.

Subsequent legislation reinforced these requirements. The Government Performance and Results Act Modernization Act of 2010 (Pub. L. 111–352, Jan. 4, 2011) (the GPRA) amended 31 U.S.C. 1115 and 1116 to require agencies to integrate human capital resources into their strategic plans and annual performance plans, further aligning workforce planning with mission delivery and results-oriented management. The GPRA also required OMB to "coordinate with agencies to develop priority goals to improve the performance and management of the Federal Government." 31 U.S.C. 1120(a)(1). Such goals must include, *inter alia*, goals for improving "human capital management" across the government. *Id.* These goals are

typically expressed in the President's Management Agenda, prepared by OMB.¹

These statutory provisions collectively authorize OPM to issue and update regulations to establish streamlined, measurable tools for strategic workforce planning, accountability, and alignment with Presidential priorities and agency missions. OPM's implementing regulations for this authority are codified at 5 CFR part 250.

Part 250 establishes a framework for aligning human capital management with agency missions and Presidential priorities. The most recent comprehensive revision to part 250 was issued in 2016 (81 FR 89357) with a minor technical amendment in 2018 (83 FR 55931). The 2016 revision was meant to clarify the purpose of various human capital planning reports, plans and reviews. However, commenters still expressed confusion about the relationship of the various reports and plans to one another, and to other reporting required under the GPRA. The 2016 revision also reduced the number of required employee survey questions from 45 to 16.

This proposed rule updates the regulations by replacing duplicative requirements with streamlined, measurable, and performance-oriented processes. It aligns the requirements of 5 U.S.C. 1103(c) with the workforce planning cadence established by E.O. 14356. E.O. 14356 establishes an annual cycle whereby agencies must develop Annual Staffing Plans at the beginning of each fiscal year to ensure hiring is in the highest-need areas. Agencies must then provide quarterly updates to OPM and OMB demonstrating progress in implementing their Annual Staffing Plan. Agencies may adjust their Annual Staffing Plans throughout the fiscal year in coordination with OPM and OMB.

This proposed rule incorporates oversight, evaluation, and data-driven performance reviews into a unified structure, integrating the workforce planning cadence established by E.O. 14356 with the workforce planning requirements established by 5 U.S.C. 1103(c). This alignment would reduce the burdens on CHCOs and other agency human resources professionals from having to prepare and participate in a multiplicity of overlapping reports, reviews and updates.

¹ See OMB, President's Management Agenda (Dec. 8, 2025), available at <https://www.whitehouse.gov/wp-content/uploads/2025/12/M-26-03-Presidents-Management-Agenda.pdf>.

B. Executive Actions

The Trump Administration has issued a series of executive actions designed to elevate the role of human capital in government performance. E.O. 14170, *Reforming the Federal Hiring Process and Restoring Merit to Government Service* (January 20, 2025), established a framework to confirm that Federal hiring is efficient, merit-based, and focused on identifying individuals with the skills and commitment needed for public service. The E.O. additionally mandated the development of a Federal Hiring Plan, implemented by the Assistant to the President for Domestic Policy and OPM as the Merit Hiring Plan,² which standardizes best practices in recruitment, strengthens the use of competency-based assessments, and reduces unnecessary barriers that impede the identification of qualified candidates. Through these reforms, agencies are better able to attract the best talent and tackle the complex demands of federal missions.

Building on this foundation, E.O. 14356 further embeds accountability and strategic oversight into hiring and workforce planning. It establishes Strategic Hiring Committees in each agency to ensure that leadership reviews and approves position creation and hiring actions, aligning staffing decisions with mission needs, operational efficiency, and budget constraints. These committees, typically composed of senior executives including the Deputy Secretary, the chief of staff to the agency head, the CHCO, the Chief Financial Officer (CFO), and other key leaders, provide a structured mechanism for evaluating hiring requests based on criteria such as mission criticality, cost effectiveness, and alignment with strategic goals. The order also requires agencies to develop Annual Staffing Plans that prioritize high-impact mission areas, promote cost-effective workforce investments, and maintain alignment with governmentwide human capital priorities.

Complementing these directives, OPM and OMB issued additional guidance to help agencies implement these requirements.³ This guidance emphasizes cost effectiveness, mission-

critical needs, and the importance of merit-based hiring. It also reinforces the Administration's expectation that agencies modernize their human capital functions by leveraging workforce data, strengthening analytic capabilities, and ensuring leadership accountability for hiring outcomes. Together, these policies seek to enable a more strategic, evidence-driven approach to human capital management across government.

II. Proposed Amendments

OPM proposes several amendments to 5 CFR part 250 to modernize workforce planning requirements, strengthen accountability for staffing decisions, and improve flexibility for administering employee surveys. These reforms to 5 CFR part 250 will streamline mandates for enhanced workforce planning placed on Federal agencies by recent executive orders, harmonizing those requirements with existing regulations found in part 250 regarding strategic workforce planning. The changes will also help fulfill a key purpose of the CHCO Act by ensuring that CHCOs have sufficient visibility, oversight and control so as to allow the CHCO to fulfill his or her statutory obligation to serve as the agency human resources leader under 5 U.S.C. 1401 and 1402(a), and have seamless access to information that the CHCO must be able to access under 5 U.S.C. 1402(b). The changes will also revise the questions required for governmentwide employee surveys.

A. Clarifying Delegated Authorities

In Subpart A, OPM proposes to clarify § 250.102, which deals with OPM-delegated authorities. OPM proposes to add language from 5 U.S.C. 1104(b)(4) that, at the request of the head of an agency to whom a function has been delegated, OPM may provide assistance to agencies performing such personnel functions, including on a reimbursable basis through the revolving fund established under 5 U.S.C. 1304(e). OPM believes that this language clarifies OPM's support of agency personnel functions even where a delegation agreement is in place.

B. Annual Staffing Plans and Quarterly Updates

Turning to Subpart B of Part 250, the proposed rule replaces the Human Capital Operating Plan (HCOP) with a new Annual Staffing Plan (ASP) framework. The ASP would serve as the agency's primary workforce planning and accountability document and must align with:

- the Agency Strategic Plan,
- the Annual Performance Plan,
- the Agency Budget, and

- the President's Management Agenda.

The ASP must also contain specific plans and goals for improvements regarding the four HCF systems and standards with the Human Capital Framework (HCF) set forth in 5 CFR 250.203. Thus, it must include measurable and observable performance targets that correspond to agency goals; strategies for talent management (including developing employees and closing knowledge, skill, and competency gaps); plans for building and maintaining a high-performance culture; and evaluation systems to confirm accountability.

In addition to aligning with the HCF, the ASP must utilize metrics, frameworks, and criteria for evaluating the agency's current and future workforce and staffing needs, and it must target the agency's hiring to address skills gaps, enhance service delivery, enable succession planning, and ensure that new appointments in the upcoming year are in the highest-need areas. In so doing, the ASP helps fulfill the requirement of the CHCO Act for OPM to "design a set of systems, including appropriate metrics, for assessing the management of human capital by Federal agencies." 5 U.S.C. 1103(c)(1). The required ASP helps fulfill the goals for those systems set forth in 5 U.S.C. 1103(c)(2), including aligning human capital strategies of agencies with the missions, goals, and organizational objectives of those agencies, and closing skills gaps in mission-critical occupations. While ASPs will be prepared annually, they should consider both present and future workforce planning needs and include broad-scope workforce planning goals along with strategies for how to execute upon those goals in the upcoming fiscal year.

In alignment with E.O. 14356, the ASP must consider efficiencies derived from organizational restructuring; elimination of unnecessary management layers; elimination of duplicative or nonessential functions and positions; consolidation of administrative functions; reduction of unnecessary or low-value contractor positions; performance management of employees; internal reassignments; redistribution of workload across positions with similar duties and skill sets; process improvement; and adoption of technology.

By consolidating planning and oversight functions into the ASP, the proposed rule strengthens leadership accountability for workforce decisions and improves alignment between staffing strategies and mission priorities.

² White House Domestic Policy Council & OPM, *Merit Hiring Plan*, (May 29, 2025), available at <https://www.opm.gov/chcoc/latest-memos/creating-federal-hr-20-by-consolidating-core-human-capital-management-across-the-federal-government.pdf>.

³ See OMB and OPM, *Guidance on Executive Order 14356, Ensuring Continued Accountability in Federal Hiring* (Nov. 5, 2025), available at <https://www.opm.gov/chcoc/latest-memos/guidance-on-executive-order-14356-ensuring-continued-accountability-in-federal-hiring.pdf>.

In addition, consistent with E.O. 14356, the proposed rule aligns agency workforce planning with budgetary planning and broader government-wide workforce priorities by requiring that ASPs be prepared in coordination with OPM and OMB.

The proposed rule includes the requirement of E.O. 14356 that ASPs must be prepared at the start of each fiscal year. The proposed § 250.205 also accounts for the quarterly updates required of agencies under E.O. 14356, stating that each agency must submit updates to OPM and OMB at the beginning of each quarter that show progress in implementing their ASP and explain any significant variances from the ASP. The proposed rule acknowledges that agencies may update their ASPs throughout the fiscal year based on enactment of relevant appropriations or authorizing legislation, or otherwise in coordination with OPM and OMB.

C. Annual Staffing Reviews

The proposed rule replaces Human Capital Reviews (HCRs) with Annual Staffing Reviews (ASRs).

Under the proposed framework, OPM and OMB will conduct Annual Staffing Reviews to evaluate agency implementation of their Annual Staffing Plans and assess whether workforce strategies effectively support agency mission objectives. OPM believes that including OMB in the Annual Staffing Reviews will help align workforce planning with overall management objectives and budgetary constraints. OPM also believes that replacing HCRs with ASRs will ensure that the agency's strategic human capital planning resources are focused on implementation of Annual Staffing Plans, and that agency human resources staff are not required to engage in duplicative human capital planning activities.

OPM anticipates that these reviews will assess several areas closely tied to the agency's ASP, such as progress toward hiring and staffing goals, review of workforce analytics, and assessment of skill gap mitigation.

D. Quarterly Staffing Plan Performance Reviews

The proposed rule requires agency CHCOs to conduct quarterly staffing performance reviews in coordination with their Performance Improvement Officer (PIO) and Strategic Hiring Committee.

These reviews must assess agency progress toward workforce goals and evaluate implementation of the agency's ASP. Findings from quarterly reviews

must be incorporated into quarterly updates to the agency's ASP. These reviews replace HRStat quarterly reviews to reduce duplication and the workload of CHCOs and human resources staff.

Agencies should conduct Quarterly Staffing Plan Reviews within the framework of the existing quarterly performance reviews required under 31 U.S.C. 1121(c). Because the CHCO and PIO are already engaged in section 1121(c) reviews, this approach eliminates the need for a separate standalone meeting, reducing administrative burden on CHCOs and human resources staff consistent with the intent of this rule. Aligning ASP performance reviews with the broader strategic performance review process also reinforces a foundational principle of sound workforce planning. Agencies that conduct their section 1121(c) reviews on a schedule other than quarterly should verify that Quarterly Staffing Plan Performance Reviews occur at least four times per fiscal year to meet the quarterly cadence this rule requires.

E. Human Capital Framework Updates

The proposed rule retains the four systems established in the Human Capital Framework (Strategic Planning and Alignment, Talent Management, Performance Culture, and Evaluation) but updates the regulatory language for clarity and consistency.

On January 20, 2025, President Trump issued an E.O. titled "Ending Radical and Wasteful Government DEI Programs and Preferencing," E.O. 14151, 90 FR 8339 (Jan. 29, 2025). This order directs the termination of all DEI policies, programs, and preferences in the Federal Government, under whatever name they appear. President Trump took this action to combat numerous wasteful and unlawful government DEI programs.⁴

OPM appreciates that the term "diverse" may have many meanings. However, the current regulatory references to a "diverse" workforce may be read to suggest that agencies either are required or permitted to take race or other protected characteristics into account in hiring, evaluation and

promotion decisions. Thus, OPM proposes removing this unnecessary and potentially harmful language. While the proposed rule removes references to "diverse" workforce language in certain sections, requirements that agencies comply with applicable equal employment opportunity and merit system principles (including non-discrimination) remain under applicable statutes and executive orders (such as 5 U.S.C. 2301 and 42 U.S.C. 2000e-16).

F. Alignment With President's Management Agenda

The proposed rule replaces references to the Federal Workforce Priorities Report with requirements for agencies to align workforce planning with the President's Management Agenda.

This change reflects the Administration's emphasis on integrating workforce management with broader governmentwide performance priorities. As noted above, the GPRA requires OMB to "coordinate with agencies to develop priority goals to improve the performance and management of the Federal Government." 31 U.S.C. 1120(a)(1). Such goals must include, *inter alia*, goals for improving "human capital management" across the government. *Id.* These goals are expressed in the President's Management Agenda prepared by OMB.⁵

OPM understands that the Federal Workforce Priorities Report was conceived to address a 2014 recommendation from the Government Accountability Office (GAO) that there be a single governmentwide strategic human capital plan.⁶ GAO meant for this strategic plan to contain "specific, actionable goals, the roles and responsibilities of stakeholders in achieving them, and timeframes and other metrics to help ensure the entire effort stays on track."⁷ However, given the competing demands on agencies, OPM decided that the Federal Workforce Priorities Report would not "serve as a plan that obligates the human capital community to specific

⁵ See OMB, President's Management Agenda (Dec. 8, 2025), available at <https://www.whitehouse.gov/wp-content/uploads/2025/12/M-26-03-Presidents-Management-Agenda.pdf>.

⁶ See OPM, Federal Workforce Priorities Report, available at <https://www.opm.gov/policy-data-oversight/human-capital-management/federal-workforce-priorities-report/>; see also GAO-14-168, Human Capital: Strategies to Help Agencies Meet Their Missions in an Era of Highly Constrained Resources (May 7, 2014) at p. 10, available at <https://www.gao.gov/assets/gao-14-168.pdf>.

⁷ GAO-14-168, Human Capital: Strategies to Help Agencies Meet Their Missions in an Era of Highly Constrained Resources (May 7, 2014) at p. 10, available at <https://www.gao.gov/assets/gao-14-168.pdf>.

⁴ See U.S. Department of Justice, Implementation of Executive Orders 14151 and 14173: Eliminating Unlawful DEI Programs in the Federal Operations (March 21, 2025), available at <https://www.justice.gov/ag/media/1409556/dl?inline>; OPM, Further Guidance Regarding Ending DEI Offices, Programs and Initiatives (Feb. 5, 2025), available at <https://www.opm.gov/chcoc/transmittals/2025/OPM%20Memo%20Further%20Guidance%20Regarding%20Ending%20DEIA%20Offices%20Programs%20and%20Initiatives%202-5-2025%20FINAL.pdf>.

actions, time frames, and measures of success,”⁸ but instead merely identify general workforce priorities and suggested strategies, and it codified this understanding of the Federal Workforce Priorities Report in the current § 250.204.

These limitations mean that the Federal Workforce Priorities Report has not driven the sort of coordination and alignment that GAO hoped that a government strategic human capital plan would provide. Instead, OPM has found that the workforce priorities expressed in the President’s Management Agenda are more impactful in driving coordination, alignment, and action to improve human capital management. Thus, OPM proposes substituting references to the Federal Workforce Priorities Report in Part 250 with the President’s Management Agenda (and Agency Strategic Plan), and sunsetting the Federal Workforce Priorities Report.

G. Enabling CHCO Leadership Over Strategic Human Capital Management

As noted above, the CHCO Act established the CHCO position and the CHCO Council to effectively address “the inability of the Federal Government to properly manage its workforce”⁹ and “give human capital a much higher priority in the Federal Government, just as it is given in most corporations that are successful.”¹⁰

Congress gave agency CHCOs statutory responsibility to oversee strategic human capital management and implement the laws, rules and regulations governing the civil service at their agencies. See 5 U.S.C. 1401, 1402. The CHCO Act requires that CHCOs have access to information necessary to enable them to perform their duties. 5 U.S.C. 1402(b). However, in 2014, GAO reported that, in spite of the CHCO Act, CHCOs reported that they were not included in strategic planning processes and their agencies had not elevated the role of the human capital office to enable the CHCO to effectively engage in strategic human capital management.¹¹

OPM has found that, over a decade later, these challenges remain, and

CHCOs often lack the authority and visibility to effectively oversee strategic human capital management at their agencies. This is especially the case in large, highly decentralized Federal agencies where diffuse and uncoordinated technological systems, delegations, organizational structures, and agency policies can frustrate meaningful CHCO oversight and result in fragmented and siloed human resources leadership.

To address this issue, OPM proposes that each agency must ensure that its internal delegations, organizational structure, internal policies, and technological systems enable the agency’s CHCO to have sufficient visibility, oversight and control so as to allow the CHCO to carry out his or her statutory functions under 5 U.S.C. 1401 and 1402(a), and to efficiently access the information they must be able to access under 5 U.S.C. 1402(b).

H. Strategic Hiring Committees

In alignment with E.O. 14356, this proposed rule requires agencies to establish and maintain Strategic Hiring Committees to oversee hiring within the agency.¹² The Strategic Hiring Committee must confirm that agency hiring is consistent with the agency’s mission needs and the agency’s Annual Staffing Plan.

OPM believes that maintaining a Strategic Hiring Committee is a key strategy to align staffing decisions with mission needs, operational efficiency, and budget constraints, thus implementing the goals set forth in 5 U.S.C. 1103(c)(2). These committees provide a structured mechanism for evaluating hiring requests based on criteria such as mission criticality, cost effectiveness, and alignment with strategic goals. By requiring committee approval for new positions or backfills, the order promotes thoughtful and disciplined resource allocation. The order also requires agencies to develop Annual Staffing Plans that prioritize high-impact mission areas, promote cost-effective workforce investments, and maintain alignment with governmentwide human capital priorities.

OPM proposes that the Strategic Hiring Committee must include the agency’s Deputy Secretary, or equivalent, along with the agency’s

CHCO. This required membership aligns with E.O. 14356 (which requires that the deputy agency head be part of the committee) and the human capital leadership responsibilities of the agency CHCO under the CHCO Act.

I. Annual Employee Surveys

The proposed rule amends Subpart C, governing annual employee surveys. The statute requiring annual employee surveys (Pub. L. 108–136, div. A, title XI, sec. 1128, 117 Stat. 1641, 5 U.S.C. 7101 note) states that OPM “shall issue regulations prescribing survey questions that should appear on all agency surveys under subsection (a) in order to allow a comparison across agencies.”

Currently, OPM has prescribed 16 required survey questions in § 250.302(a)(2). OPM proposes reducing this number to 10 required questions, retaining 4 in their current form, modifying one, removing 11 required questions, and adding 5 new required questions (though two of these questions, relating to poor performers, were asked in prior surveys). One question, “I am given a real opportunity to improve my skills in my organization,” is being substituted for a question that OPM believes to be a more specific, actionable and helpful question that gets at the same information: “My supervisor provides ongoing feedback to help me succeed and progress in my career.” OPM proposes to add the word “clearly” to one required question, so that it becomes: “Managers clearly communicate the goals of the organization.”

OPM considers the 10 proposed questions to be the most probative of effective leadership and management practices and employee satisfaction. These questions measure whether employees understand the organization’s objectives and how the employee’s work contributes to those objectives; whether there is performance accountability at the agency or agency subunit; whether there is meaningful recognition of differences in performance; whether employees perceive that they have opportunities for career development; whether employees feel empowered to get things done; and whether they have regular, ongoing feedback from management. OPM believes that employees who are most engaged are those who understand their organization’s mission and how their work contributes to it, who work under supervisors who provide regular feedback, and who work in organizations that have a strong performance and accountability culture.

OPM observes, as it did in its 2016 rulemaking, that “asking questions

⁸ See OPM, Federal Workforce Priorities Report, available at <https://www.opm.gov/policy-data-oversight/human-capital-management/federal-workforce-priorities-report/>.

⁹ 148 Cong. Rec. S11169–01, 148 Cong. Rec. S11169–01, S11182, 2002 WL 31537145.

¹⁰ 148 Cong. Rec. S11169–01, 148 Cong. Rec. S11169–01, S11183, 2002 WL 31537145.

¹¹ GAO–14–168, Human Capital: Strategies to Help Agencies Meet Their Missions in an Era of Highly Constrained Resources (May 7, 2014) at pp. 10–11, available at <https://www.gao.gov/assets/gao-14-168.pdf>.

¹² E.O. 14356 exempted various categories of civil service positions from its requirements, including non-career positions and positions related to immigration enforcement, national security, and public safety. OPM intends for this general language regarding the role of the Strategic Hiring Committee within agencies to be applied consistent with those exceptions.

which are not well written or no longer relevant to agency success, as well as reporting indexes used in the past when newer indexes would better fit agency needs, confines the survey to be a formality rather than a dynamic and useful management tool.” 81 FR 89357, 89364 (Dec. 12, 2016). OPM believes that a “smaller set of understandable and well-written questions,” with the opportunity for OPM to provide further questions via guidance, will be more effective. *Id.*

OPM believes that the 10 required questions it proposes will provide specific and actionable information for agency leadership. It proposes removing questions that are unlikely to provide helpful information for agency leadership or help achieve organizational goals in a meaningful way. OPM invites comments on the 10 required questions it proposes. OPM intends that agencies may add additional agency-specific survey questions to their own administration of the survey.

OPM proposes modifying § 250.303 to remove a section that prescribes six specific pieces of information that agencies must include in their posted survey results. Although the operative statute requires that survey results be posted publicly on the agency’s website (unless doing so would jeopardize or negatively impact national security), these specific requirements are not spelled out in the statute requiring annual employee surveys (codified at 5 U.S.C. 7101 note). Instead, OPM proposes to note simply that each agency may determine the specific content of its public disclosure of its annual survey results.

The proposed rule also modifies reporting timelines by requiring agencies to submit survey results to OPM and OMB within 90 days of survey completion, providing OPM and OMB with faster access to governmentwide data, and thus supporting more timely analysis and workforce management decisions, while maintaining the 120-day public posting requirement (which preserves transparency and confirms agencies have sufficient time to prepare results for release). While, in previous years, OPM has typically administered the annual employee survey for all agencies, the requirement for agencies to report results to OPM and OMB would allow OPM to devolve survey administration to agencies, while still being able to timely access the results of agency surveys for OPM’s use in workforce planning and policymaking (along with OMB’s similar use of the surveys for workforce analysis and policymaking).

III. Regulatory Analysis

A. Statement of Need

OPM has not comprehensively updated the strategic human capital management regulations in several years. Changes in workforce management practices, technology, and agency mission demands require a more flexible and performance-oriented framework for workforce planning. OPM believes that the current reporting and review processes required by its part 250 regulations are unduly burdensome and not sufficiently aligned with the GPRA reporting processes. In addition, OPM believes that the current reporting and review processes required by its part 250 regulations are too often confined to HR specialists within the agency, and do not incorporate robust input and feedback from broader agency leadership. OPM has also observed that CHCOs too frequently lack appropriate control, visibility, and oversight regarding strategic human capital management necessary to fulfill their roles under 5 U.S.C. 1401 and 1402(a).

In addition, OPM believes that its current regulations requiring agencies to prepare Human Capital Operating Plans and engage in Human Capital Reviews and HRStat reviews are duplicative of the process established under E.O. 14356 whereby agencies are to create Annual Staffing Plans each fiscal year, along with quarterly updates. OPM also believes that the Federal Workforce Priorities Report is unnecessary in light of the President’s Management Agenda, which is required to include, *inter alia*, goals for improving “human capital management” across the government. 31 U.S.C. 1120(a)(1).

OPM additionally believes that the current requirements around annual employee surveys discourage agencies from utilizing these surveys as robust workforce planning tools and changing management practices in response to the results. Instead, agencies and employees too often view the annual surveys as simply a means by which employees may register their broad approval or disapproval of agency leadership, instead of an opportunity for the agency to gain insight into the effectiveness of management practices. Creating additional flexibility around annual employee surveys is necessary to make the annual employee survey a helpful tool instead of a popularity contest.

The proposed rule is intended to reduce administrative burden, strengthen accountability for staffing decisions, and confirm that workforce planning supports mission delivery.

B. Impact

The proposed rule would affect Federal agencies responsible for workforce planning and hiring decisions. Agencies may need to revise internal policies and procedures to implement the new Annual Staffing Plan framework and integrate quarterly performance review processes.

However, the proposed rule is expected to reduce duplicative reporting requirements and improve efficiency in workforce planning processes. OPM also anticipates that this rule would improve the quality of workforce planning, leading to better alignment between mission needs, workforce capabilities, and the budgetary process. OPM also believes that the proposed rule would allow CHCOs greater visibility, control and oversight regarding strategic human capital functions at their agencies, allowing for more efficient and accountable management of the Federal workforce.

C. Regulatory Alternatives

OPM considered maintaining the existing Human Capital Operating Plan framework, including HRStat and Human Capital Reviews. However, OPM tentatively determined that the current system does not adequately integrate workforce planning with leadership oversight of hiring decisions and may impose unnecessary administrative requirements on agencies in light of E.O. 14356 and reporting required under the GPRA.

OPM believes that the proposed Annual Staffing Plan framework (required by E.O. 14356) provides a more streamlined and mission-focused planning process, and that continuing with the current Human Capital Operating Plan framework would impose unnecessary costs and burdens on agencies that are pressed to rapidly implement human capital initiatives and priorities.

OPM considered retaining the Federal Workforce Priorities Report but tentatively concluded that sunseting the report is the better option for the reasons discussed in section II.F. in the Supplementary Information.

OPM considered simply maintaining the status quo regarding CHCO authority within agencies. However, OPM observed that the problem of lack of CHCO visibility and oversight within agencies is a longstanding problem that has not adequately been addressed in the nearly quarter century since the CHCO Act was passed and tentatively concluded that a regulatory change was necessary.

OPM considered retaining all of the 16 required annual employee survey

questions in their current form. However, it tentatively concluded that, while continuity regarding the survey questions is important, the benefits of refreshing the required survey questions with content that OPM considers most probative of effective leadership and management practices and employee satisfaction (perceived opportunities for growth and advancement, meaningful recognition of differences in performance, and clear accountability for poor performance) outweighed retaining all of the current prescribed survey questions in their current form.

OPM also considered expanding the number of survey questions but concluded (for similar reasons described in its 2016 rulemaking) that a better course was to reduce the number of questions required by regulation. OPM appreciates the need for consistency from year to year in the required questions but believes that agencies and the Federal Government need more flexibility to adjust the questions based on emergent workforce and agency needs.

D. Costs

This rule would affect the operations of over 80 Federal agencies—ranging from cabinet-level departments to small independent agencies. Agencies may incur limited administrative costs associated with updating policies and procedures to implement the new planning framework. For the purpose of this cost analysis, OPM assumes an average salary rate of Federal employees performing this work will be the rate in 2026 for GS-14, step 5, from the Washington, DC, locality pay table (\$163,104 annual locality rate and \$78.15 hourly locality rate). OPM assumes that the total dollar value of labor, which includes wages, benefits, and overhead, is equal to 200 percent of the wage rate, resulting in an assumed labor cost of \$156.30 per hour.

Affected agencies may need to review and update their delegations, policies and procedures. OPM estimates that, in the first year following publication of a final rule, this will require an average of 100 hours of work by employees with an average hourly cost of \$156.30, resulting in estimated costs in the first year of implementation of about \$15,630 per agency, and about \$1,250,400 in total Governmentwide. These costs are expected to be minimal and largely included in the ongoing administrative costs to agencies (including the administrative costs of administering the program and hiring and training new staff).

E. Benefits

OPM expects this proposed rule to yield important benefits by strengthening agency leadership accountability for staffing decisions, improving alignment between hiring and agency mission requirements, reducing administrative reporting that has become duplicative with the issuance of E.O. 14356, increasing CHCO visibility and oversight over strategic human capital management in alignment with the CHCO Act, and supporting more effective workforce management practices across CHCO agencies.

By incorporating the requirement from E.O. 14356 that agencies use Strategic Hiring Committees to oversee hiring within 5 CFR part 250, the proposed rule would help ensure that human capital decisions are made strategically, with appropriate senior-level accountability and in closer connection to agency performance and organizational goals. The proposed rule would strengthen leadership accountability for staffing decisions by making clear that workforce decisions are not merely transactional personnel actions but management decisions that should be tied to broader agency priorities and goals.

The proposed rule clarifies the ASP's role as an agency's central workforce planning document, specifies that it must include plans and goals metrics, frameworks, and criteria for evaluating the agency's current and future workforce and staffing needs, and requires that the ASP must further align with, and include specific plans and goals regarding, the four HCF systems and standards, including measurable performance targets. The proposal would reduce administrative reporting requirements by replacing fragmented and duplicative reporting expectations with a more coherent regulatory structure that is integrated with E.O. 14356 requirements and other agency planning processes (including the agency budget and performance plan) and is focused on information that is genuinely useful for management and oversight. Of note, the proposed rule requires that OMB be part of workforce planning and evaluation processes, strengthening alignment with the President's Management Agenda and between the budgetary process and workforce planning processes—which too often have been fragmented, hindering focused workforce planning and development efforts. The proposal also clarifies that the ASP is a broad-scope workforce planning document that is prepared annually but must also

align with broader agency human capital goals and planning.

The proposed rule also clarifies the CHCO's statutory role as the agency human capital leader, elevating the CHCO's institutional role in workforce planning, staffing oversight, and coordination with agency leadership and HR offices. This will strengthen accountability for agency workforce planning by reinforcing the CHCO's required statutory role under the CHCO Act.

In addition, the proposed rule would support more effective workforce management practices overall by encouraging agencies to manage human capital as an enterprise function rather than as a series of disconnected personnel actions. OPM believes that clearer lines of responsibility, improved strategic alignment, and stronger CHCO oversight will help agencies make more informed decisions about hiring, deployment, performance management, and organizational needs, improving the effectiveness, consistency, and strategic value of agency human capital management.

Finally, by reducing the number of required questions for annual employee workforce surveys and giving agencies additional flexibility regarding the reporting of such surveys, this proposed rule will make the survey more efficient to deliver and increase agency control regarding the survey. OPM expects that this will allow agencies to use the annual employee survey as an actionable workforce planning tool, rather than a burdensome “popularity contest.” Requiring that survey results be reported to OPM and OMB after completion of survey administration will allow for OPM to decentralize administration of the annual survey, further strengthening agency ownership of the annual survey.

F. Severability

OPM proposes that, if any provision of this proposed rule as finalized is held to be invalid or unenforceable by its terms, or as applied to any person or circumstance, it would be severable from its respective section(s) and would not affect the remainder thereof or the application of the provision to other persons not similarly situated or to other dissimilar circumstances.

IV. Procedural Issues and Regulatory Review

1. Regulatory Review

The Office of Information and Regulatory Affairs in the Office of Management and Budget has designated this as a significant regulatory action

under E.O. 12866 section 3(f). Accordingly, OPM has examined the impact of this rule as required by E.O.s 12866 and 13563, which direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). A regulatory impact analysis must be prepared for rules that have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities. This rulemaking does not reach that threshold. This action is expected to be considered an E.O. 14192 deregulatory action.

2. Regulatory Flexibility Act

The Director of the Office of Personnel Management certifies that this regulation will not have a significant economic impact on a substantial number of small entities because the rule applies only to Federal agencies and employees.

3. Federalism

This regulation will not have substantial direct effects on the States, on the relationship between the National Government and the States, or on distribution of power and responsibilities among the various levels of government. Therefore, in accordance with E.O. 13132 (Aug. 10, 1999), the Director of the OPM certifies that this rulemaking does not have sufficient federalism implications to warrant preparation of a Federalism Assessment.

4. Civil Justice Reform

This regulation meets the applicable standards set forth in section 3(a) and (b)(2) of E.O. 12988 (Feb. 7, 1996).

5. Unfunded Mandates Reform Act of 1995

Section 202 of the Unfunded Mandates Reform Act of 1995 (UMRA) requires that agencies assess anticipated costs and benefits before issuing any rule that would impose spending costs on State, local, or tribal governments in the aggregate, or on the private sector, in any 1 year of \$100 million in 1995 dollars, updated annually for inflation. That threshold is currently approximately \$206 million. This rulemaking will not result in the expenditure by State, local, or tribal

governments, in the aggregate, or by the private sector, in excess of the threshold. Thus, no written assessment of unfunded mandates is required.

6. Paperwork Reduction Act

This proposed rule contains a collection of information subject to the Paperwork Reduction Act of 1995, 44 U.S.C. chapter 35. Proposed § 250.302(a)(2) would prescribe 10 governmentwide questions for annual employee surveys, and proposed § 250.303 would require agencies to submit survey results to OPM and OMB. Under 5 CFR 1320.3(c)(3), a “collection of information” includes questions posed to agencies, instrumentalities, or employees of the United States if the results are to be used for general statistical purposes, including statistical compilations of general public interest showing the status or implementation of Federal activities and programs. The annual employee survey responses and related survey-result submissions are expected to be used for governmentwide and agency-level statistical compilations concerning Federal workforce management and implementation of Federal human capital programs.

OPM is publishing in this issue of the **Federal Register** a separate Paperwork Reduction Act notice for a new common form that agencies could use for this information collection. Should agencies add additional questions, agencies would be responsible for their own collections separate from the OPM common form and would need to seek their own OMB control number. OPM’s notice describes the prescribed survey questions and related reporting requirements, provides estimated burden information, requests a new OMB control number, and solicits public comment as required by the Paperwork Reduction Act. This proposed rule does not itself approve or revise any OMB control number, and OPM will obtain any required OMB approval before requiring use of the revised collection in a manner requiring PRA approval.

List of Subjects in 5 CFR Part 250

Authority delegations (Government agencies), Government employees.

Signing Statement

The Director of OPM, Scott Kupor, reviewed and approved this document and has authorized the undersigned to electronically sign and submit this document to the Office of the Federal Register for publication.

Office of Personnel Management.

Jerson Matias,

Federal Register Liaison.

For the reasons stated in the preamble, the Office of Personnel Management proposes amending 5 CFR part 250 as follows:

PART 250—PERSONNEL MANAGEMENT IN AGENCIES

■ 1. The authority citation for Part 250 is revised to read as follows:

Authority: 5 U.S.C. 105, 1101 note, 1103(a)(5), 1103(c), 1104, 1302, 3301, 3302; 7101 note (sec. 1128, Pub. L. 108–136). E.O. 10577, 12 FR 1259, 3 CFR, 1954–1958 Comp., p. 218; E.O. 13197, 66 FR 7853, 3 CFR 748 (2002); E.O. 14356. Subpart B also issued under 5 U.S.C. 1103(a)(7); 5 U.S.C. 1401 and 1401 note (Pub. L. 107–296); 5 U.S.C. 1402; 5 U.S.C. 5105 note (Pub. L. 111–352); 31 U.S.C. 901(b)(1); 31 U.S.C. 1115(a)(3), (f), and note (Pub. L. 103–62); 31 U.S.C. 1116(c)(5); E.O. 14356, 90 FR 48387; 5 CFR 10.2.

Subpart A—Authority for Personnel Actions in Agencies

■ 2. Revise § 250.102 to read as follows:

§ 250.102 Delegated authorities.

(a) OPM may delegate its authority, including authority for competitive examinations, to agencies, under 5 U.S.C. 1104(a)(2), through a delegation agreement. The delegation agreement developed with the agency must specify the conditions for applying the delegated authorities. The agreement must also set minimum standards of performance and describe the system of oversight by which the agency and OPM will monitor the use of each delegated authority.

(b) At the request of an agency to whom a function has been delegated under paragraph (a) of this section, OPM may provide assistance to the agency performing such function.

(c) To the extent determined appropriate by OPM, an agency must reimburse OPM through payments to the revolving fund established under 5 U.S.C. 1304(e) for work performed by OPM pursuant to paragraph (b) of this section.

Subpart B—Strategic Human Capital Management

■ 3. The authority citation for subpart B of part 250 is removed.

§ 250.202 Definitions.

■ 4. Amend § 250.202 by:

- a. Adding in alphabetical order definitions for “Annual Staffing Plan” and “Annual Staffing Review”;
- b. Removing the definitions of “HRStat”, “Human Capital Evaluation

Framework”, “Human Capital Operating Plan (HCOP)”, and “Human Capital Review (HCR)”; and

■ c. Adding in alphabetical order definitions for “President’s Management Agenda” and “Quarterly Staffing Plan Performance Review”.

The additions read as follows:

§ 250.202 Definitions.

Annual Staffing Plan (ASP) means an agency’s workforce planning document that aligns with the agency strategic plan, annual performance plan, budget formulation process, and the President’s Management Agenda, along with the HCF, and that establishes workforce priorities, hiring goals, and staffing strategies.

Annual Staffing Review (ASR) means the annual evaluation of an agency’s implementation and effectiveness of its Annual Staffing Plan conducted by OPM and the Office of Management and Budget (OMB).

* * * * *

President’s Management Agenda means the governmentwide management priorities and initiatives issued by OMB that establish strategic direction for improving Federal management functions, including human capital management, across executive branch agencies.

Quarterly Staffing Plan Performance Review means a review conducted pursuant to § 250.207.

* * * * *

§ 250.203 [Amended]

■ 5. Amend § 250.203 by:

■ a. In paragraph (b), removing the words “and diverse”; and

■ b. In paragraph (c), removing “diverse,” in both places it appears.

■ 6. Amend § 250.204 as follows:

■ a. In paragraph (a)(1), remove the words “Federal Workforce Priorities Report” and add in their place “President’s Management Agenda”;
■ b. In paragraph (c)(2), remove the words “Federal Workforce Strategic Priorities Report” and add in their place “President’s Management Agenda”;
■ c. In paragraph (c)(3), remove the words “HRStat reviews” and add in their place “Quarterly Staffing Plan Performance Reviews”;

■ d. In paragraph (d)(7):
■ i. Remove the words “Federal Workforce Priorities Report, which is published by OPM every four years” and add in their place “President’s Management Agenda and Agency Strategic Plan”; and

■ ii. Remove the words “HRStat quarterly data-driven reviews of human capital performance” and add in their place “Quarterly Staffing Plan Performance Reviews”; and

■ e. Add paragraphs (e) and (f) to read as follows:

§ 250.204 Agency roles and responsibilities.

* * * * *

(e) Each agency must ensure that its internal delegations, organizational structure, internal policies, and technological systems enable the agency’s Chief Human Capital Officer to have sufficient visibility, oversight and control so as to allow the Chief Human Capital Officer to:

(1) Fulfill his or her responsibilities under 5 U.S.C. 1401 and 1402(a); and

(2) Efficiently access the information described in 5 U.S.C. 1402(b).

(f) Each agency must establish and maintain a Strategic Hiring Committee to oversee hiring within the agency. The Strategic Hiring Committee must ensure that agency hiring is consistent with the agency’s mission needs and the agency’s Annual Staffing Plan. The Strategic Hiring Committee must include the agency’s Deputy Secretary, or equivalent, along with the agency’s Chief Human Capital Officer.

■ 7. Amend § 250.205 by revising the section heading and text to read as follows:

§ 250.205 Annual Staffing Plans and quarterly updates.

(a) Each agency must develop an Annual Staffing Plan that aligns with the Agency Strategic Plan, Annual Performance Plan, Agency Budget, President’s Management Agenda, and the HCF. The plan must identify workforce priorities, hiring goals, and staffing strategies necessary to support mission accomplishment.

(b) Each agency’s Annual Staffing Plan must include metrics, frameworks, and criteria for evaluating the agency’s current and future workforce and staffing needs, and it must target the agency’s hiring to address skills gaps, enhance service delivery, enable succession planning, and ensure that new appointments in the upcoming year are in the highest-need areas. An agency Annual Staffing Plan also must include specific plans and goals for improvements regarding the four HCF systems and standards, including measurable performance targets.

(c) Each agency’s Annual Staffing Plan also must consider potential efficiencies that may be derived from organizational restructuring; elimination of unnecessary management layers; elimination of duplicative or nonessential functions and positions; consolidation of administrative functions; reduction of unnecessary or low-value contractor positions;

performance management of employees; internal reassignments; redistribution of workload across positions with similar duties and skill sets; process improvement; and adoption of technology.

(d) Each agency must prepare an Annual Staffing Plan at the start of the fiscal year in coordination with OPM and OMB. Each agency may, in coordination with OPM and OMB, update its Annual Staffing Plan during the course of the fiscal year based on enactment of relevant appropriations or authorizing legislation or otherwise amend their plans.

(e) Each agency must submit updates to OPM and OMB at the beginning of each quarter, showing progress in implementing their Annual Staffing Plan, and explaining any significant variances from the Annual Staffing Plan.

■ 8. Amend § 250.206 by revising the section heading and text to read as follows:

§ 250.206 Annual Staffing Reviews.

Each agency must participate in an Annual Staffing Review conducted by OPM and OMB to evaluate implementation of the agency’s Annual Staffing Plan and assess progress toward workforce goals.

■ 9. Amend § 250.207 by revising the section heading and text to read as follows:

§ 250.207 Quarterly Staffing Plan Performance Reviews.

The Chief Human Capital Officer must coordinate quarterly staffing performance reviews with the agency Performance Improvement Officer and the Strategic Hiring Committee to evaluate implementation of the agency’s Annual Staffing Plan and assess progress toward workforce goals. Findings from quarterly reviews must be incorporated into the quarterly updates to the agency’s Annual Staffing Plan described in § 250.205(e).

Subpart C—Employee Surveys

■ 10. The authority citation for subpart C is removed.

■ 11. Amend § 250.302 by revising paragraph (a)(2) to read as follows:

§ 250.302 Survey requirements.

(a) * * *

(2) The 10 prescribed survey questions are listed below:

(i) Managers clearly communicate the goals of the organization.

(ii) The people I work with cooperate to get the job done.

(iii) In my work unit, differences in performance are recognized in a meaningful way.

(iv) My supervisor provides ongoing feedback to help me succeed and progress in my career.

(v) My supervisor holds my team accountable for achieving results.

(vi) I know how my work relates to the agency's goals.

(vii) I feel empowered to get things done at my organization.

(viii) I can disclose a suspected violation of any law, rule or regulation without fear of reprisal.

(ix) In my work unit, steps are taken to deal with a poor performer who cannot or will not improve.

(x) In my work unit, poor performers usually (select all that apply):

- Remain in the work unit and improve their performance over time;
- Remain in the work unit and continue to underperform;
- Leave the work unit—removed or transferred;
- Leave the work unit—quit;
- There are no poor performers in my work unit.

■ 12. Amend § 250.303 by revising paragraph (a) and adding paragraph (c) to read as follows:

§ 250.303 Availability of results.

(a) Each agency will make the results of its annual survey available to the public and post the results on its website unless the agency head determines that doing so would jeopardize or negatively impact national security. Each agency may determine the specific content of its public disclosure of its annual survey results.

* * * * *

(c) Each agency must submit survey results to OPM and OMB no later than 90 days after completion of survey administration.

[FR Doc. 2026–13441 Filed 7–1–26; 8:45 am]

BILLING CODE 6325–39–P

**OFFICE OF PERSONNEL
MANAGEMENT**

5 CFR Parts 412, 432, 715, and 752

[Docket ID: 2025–OPM–0012]

RIN 3206–AO91

**MERIT SYSTEMS PROTECTION
BOARD**

5 CFR Part 1201

RIN 3124–AA35

Promoting Employee Accountability

AGENCY: Office of Personnel Management and Merit Systems Protection Board.

ACTION: Proposed rule.

SUMMARY: The Office of Personnel Management (OPM) and Merit Systems Protection Board (MSPB or Board) are issuing proposed regulations governing performance-based reduction in grade and removal actions, non-disciplinary separations, and adverse actions, along with the MSPB's review of those actions, and proposing improved and additional training to supervisors. With this rule, OPM seeks to improve the accountability of employees for poor performance and misconduct by streamlining the administrative procedures used by agencies to take performance-based and adverse actions; and MSPB seeks to refocus its penalty review on a totality of the circumstances test rather than a rigid application of prescribed factors. The proposed rule also promotes transparency regarding employee poor performance and misconduct by restricting agencies' ability to engage in settlement agreements that remove official documentation of performance or conduct detrimental to the efficiency of the service.

DATES: Comments must be received on or before August 3, 2026.

ADDRESSES: You may submit comments for this proposed rulemaking through the Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.

Instructions: Please arrange and identify your comments on the regulatory text by subpart and section number. If your comments relate to the supplementary information, please refer to the heading and page number. All comments will be docketed in the OPM docket for this rulemaking. All comments must be received by the end of the comment period for them to be considered by OPM and MSPB. All comments and other submissions received generally will be posted on the internet at <https://regulations.gov> as they are received, without change, including any personal information provided. However, OPM retains discretion to redact personal or sensitive information, including but not limited to, personal or sensitive information pertaining to third parties.

As required by 5 U.S.C. 553(b)(4), a summary of this rule may be found in the docket for this rulemaking at www.regulations.gov.

FOR FURTHER INFORMATION CONTACT:

Noah Peters, Senior Advisor to the Director, by email at employeeaccountability@opm.gov or by telephone at (202) 606–2930.

Gina K. Grippando, Clerk of the Board, by email at mspb@mspb.gov or by telephone at (202) 653–7200.

SUPPLEMENTARY INFORMATION: OPM proposes to amend its regulations governing performance-based reduction in grade, removal actions, and adverse actions. OPM proposes these regulations under its congressionally granted authority to regulate agency actions to hold employees accountable for unacceptable performance and misconduct detrimental to the efficiency of the service and to implement the President's expressed policy direction. Specifically, OPM proposes revisions to regulations governing performance-based reduction in grade, and removal actions, and adverse actions under statutory authority vested in it by Congress in 5 U.S.C. 4305, 4315, 7504, 7514 and 7543. The regulations will update current procedures to make them more efficient and effective.¹ The proposed regulations also will clarify procedures and requirements to support managers in addressing unacceptable performance and promoting employee accountability for performance-based reduction-in-grade, removal actions, and adverse actions.

MSPB proposes to amend its regulations governing its review of agency actions taken under 5 U.S.C. chapter 75. Specifically, MSPB proposes to no longer apply the 12 factors established in *Douglas v. Veterans Administration*, 5 M.S.P.R. 280 (1981) (*Douglas*), in reviewing whether an agency's chosen penalty for an action taken under chapter 75 is reasonable. Instead, MSPB proposes to assess reasonableness of the penalty under a more flexible totality of the circumstances standard.

OPM and MSPB recognize the interactions between the proposed changes to each of their regulations. To that end, OPM and MSPB are publishing these proposals in a joint notice of proposed rulemaking and welcome comment on those interactions and related impacts. After consideration of comments, the agencies may issue a joint final rule or each agency may finalize its respective proposals in separate final rules.

I. Previous Attempts To Promote Accountability of the Federal Workforce

One of the major purposes of the Civil Service Reform Act of 1978 (CSRA) was

¹ See also OPM Memorandum, "Guidance on Revocation of Executive Order 14003," Feb. 7, 2025, <https://www.opm.gov/chcoc/latest-memos/guidance-on-revocation-of-eo-14003.pdf>; OPM Memorandum, "Guidance on Executive Order Exclusions from Federal Labor-Management Programs," March 27, 2025, <https://www.opm.gov/chcoc/latest-memos/guidance-on-executive-order-exclusions-from-federal-labor-management-programs.pdf>.