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OFFICE OF PERSONNEL MANAGEMENT

5 CFR Part 250

[Docket ID: OPM-2026-0368]

RIN 3206-A077

Personnel Management in Agencies: Strategic Human Capital Management

AGENCY: Office of Personnel Management.

ACTION: Final rule.

SUMMARY: The Office of Personnel Management (OPM) is issuing a final rule to modernize the framework governing personnel management and strategic human capital management in Federal agencies. This rule amends the regulatory framework for personnel management in Federal agencies to streamline human capital planning and reporting requirements, strengthen the authority of agency Chief Human Capital Officers (CHCOs), update employee survey requirements, and align the regulatory framework with Executive branch priorities for a high-performing Federal workforce. OPM carefully considered all public comments received on the proposed rule and has made targeted revisions in response.

DATES: Effective November 30, 2026.

FOR FURTHER INFORMATION CONTACT: Jeanne Jacobson, Acting Deputy Associate Director, Center for Workforce Strategy, Design, and Insights, Office of Personnel Management, 1900 E Street NW, Washington, DC 20415; email: workforce@opm.gov; phone (202) 606-1800.

SUPPLEMENTARY INFORMATION:

Background

The Civil Service Reform Act (CSRA) of 1978 established the foundational framework for merit-based personnel management in the Federal Government. Pursuant to the CSRA and subsequent statutory authority, OPM is

responsible for promulgating Governmentwide regulations governing Federal human capital management, including the systems and standards by which agencies plan, implement, and evaluate their human capital strategies.

Part 250 of title 5 of the Code of Federal Regulations establishes the regulatory framework for personnel management in Federal agencies. Subpart A sets standards for agency personnel actions and delegation agreements. Subpart B—Strategic Human Capital Management—defines the systems, standards, and metrics agencies must use to manage human capital, currently organized around the Human Capital Framework (HCF) and the Human Capital Operating Plan (HCOP), Human Capital Reviews (HCR), and HRStat quarterly reviews. Subpart C—Employee Surveys—governs the administration and public disclosure of annual Federal employee surveys and establishes a core set of 16 required survey questions.

On July 2, 2026, OPM published a proposed rule (91 FR 40435) to amend 5 CFR part 250 to modernize strategic human capital management across the Federal Government. The proposed rule proposed to: (1) consolidate and streamline human capital planning requirements by replacing the HCOP, HCR, and HRStat framework with Annual Staffing Plans (ASPs) and associated review processes; (2) strengthen CHCO authority and visibility; (3) require each agency to establish a Strategic Hiring Committee to oversee hiring within the agency; (4) revise the employee survey framework under subpart C, including changes to the Governmentwide core question set and survey administration; and (5) remove references to workforce diversity from the regulatory text.

In response to public comments, OPM has made targeted revisions to the proposed rule. Key changes from the proposed rule include: (1) clarifying the terminology distinguishing strategic human capital planning from operational staffing planning and tying Annual Staffing Plan development to the budget formulation cycle under the annual Office of Management and Budget (OMB) Circular A-11, Preparation, Submission, and Execution of the Budget, Part 6 (OMB, Circular No. A-11, Preparation, Submission, and Execution of the Budget (Aug. 29, 2025),

<https://www.whitehouse.gov/wp-content/uploads/2025/08/a11.pdf>); (2) adding an annual agency-head-certification requirement to ensure CHCO visibility, oversight, and control; and (3) permitting agencies to integrate Quarterly Staffing Plan Performance Reviews into existing performance review processes. Each of these changes is discussed in detail in the comment-response section below.

In response to comments, OPM also clarifies several matters that do not change the regulatory text, including the effect of the removal of nonstatutory references to a “diverse” workforce and the scope of the Strategic Hiring Committee’s role; those clarifications are addressed in the same section.

Digest of Public Comments

In response to the proposed rule, OPM received nine comments during the 30-day public comment period ending August 3, 2026. These responses came from a range of sources: individual citizens; nonprofit and professional organizations; and a former Federal employee writing in a private capacity. All nine comments are substantive and have been considered in full. All comments were posted and made available to the public in the docket. A reference to a comment provides the location of the item in the public record (*i.e.*, the four-digit number associated with the location in the docket) at <https://www.regulations.gov/comment/OPM-2026-0368-nnnn>. The comments are summarized below, together with OPM’s responses, including where OPM has adopted, partially adopted, or declined commenter suggestions, along with OPM’s reasoning. The comments are organized by issue category.

General Comments

Comment 0010 expressed general support for the proposed rule, noting it “will strengthen accountability, improve hiring practices, and enhance morale and recruitment across the federal workforce.” Comment 0010 offered additional recommendations to strengthen protections against political-to-career conversions (“burrowing in”), discussed further below.

Comments 0002 and 0005 expressed broad opposition to the rule. Comment 0002 argued the rule lacks the required cost-benefit analysis and would negatively affect employee retention and hiring quality. Comment 0005 urged

OPM to abandon the rule, citing concerns about administrative burden, potential for politicization of the civil service, and anticipated harm to scientific, diversity, equity, and inclusion-related roles, to include harmful impacts to sexual and gender orientation focused roles.

Comment 0002 argued that the proposed rule “does not seem to be in compliance with various regulatory requirements” because it lacks a cost-benefit analysis. OPM disagrees. The Office of Information and Regulatory Affairs designated this rulemaking a significant regulatory action under section 3(f) of Executive Order 12866, Regulatory Planning and Review, 58 FR 51735 (Oct. 4, 1993), and OPM has assessed its costs and benefits accordingly. A full regulatory impact analysis is required only for an action with an annual effect on the economy of \$100 million or more, or one that otherwise materially and adversely affects the economy or a sector of it. This rule governs the internal planning, review, and survey processes agencies use to manage their own workforces; it does not regulate the public or the private sector, and its estimated Governmentwide implementation cost, set out in the Costs section of this preamble, falls well below that threshold.

Executive Orders 12866 and 13563 direct agencies to assess costs and benefits in proportion to the significance of the action, and OPM has done so: the Expected Impact section of this preamble states the need for the rule, quantifies first-year and ongoing implementation costs, describes the rule’s anticipated benefits, and discusses regulatory alternatives, including retaining the existing framework. The comment’s premise that no cost-benefit analysis exists is therefore mistaken. As to the comment’s prediction that the rule will increase costs by harming employee retention and candidate quality, OPM addresses workforce recruitment, retention, and morale in a dedicated section of this preamble and concludes, for the reasons stated there, that the rule is more likely to strengthen than to weaken the Government’s competitive position for talent.

Comment 0005 further asserted that the rule would harm scientific positions and positions focused on sexual and gender orientation. OPM disagrees. This rule does not create, abolish, classify, or reclassify any position, and it directs no agency to eliminate any occupation or occupational category. Subparts A and B govern how agencies plan, document, and review their human capital

management, and subpart C governs the annual employee survey. Decisions about which positions an agency establishes and fills remain the agency’s, made under the authorities governing position management and staffing and subject to applicable law. The requirement that an Annual Staffing Plan direct hiring to an agency’s highest-needed positions is a planning requirement; it does not prescribe which occupations an agency must treat as high-need.

Nor does the removal of nonstatutory references to a “diverse” workforce, discussed below, alter any agency’s obligations under the merit system principles at 5 U.S.C. 2301, the prohibited personnel practices at 5 U.S.C. 2302, or the equal employment opportunity requirements applicable to Federal employment under 42 U.S.C. 2000e–16. To the extent the comment addresses agency staffing decisions taken outside this rulemaking, those decisions are beyond the scope of this rule.

OPM appreciates all comments received. As discussed throughout this preamble, OPM has carefully considered concerns about administrative burden and the integrity of the merit system and has made targeted revisions in response. OPM is committed to a nonpartisan, merit-based civil service and believes the final rule, as modified, reflects that commitment.

Workforce Planning Framework

Comments 0006 and 0003 raised concerns about the proposed replacement of the Human Capital Operating Plan (HCOP) framework with Annual Staffing Plans. Comment 0006 expressed support for the rule’s emphasis on forward-looking workforce planning but cautioned that designating the primary planning document as a “staffing plan” may create unintended confusion between two distinct activities: (1) strategic human capital planning, which accounts for alignment with administration priorities, budget, organizational performance, and long-term talent needs; and (2) operational staffing planning, which addresses specific FTE needs, skills needs, and near-term staffing challenges within bureaus and program offices.

Comment 0006 recommended that the final rule delineate between these two types of planning and revise terminology to avoid conflation. Comment 0006 further recommended that agency staffing plans be led by the CHCO in coordination with the Chief Financial Officer (CFO), Chief Operating Officer (COO), and senior leadership to ensure that all offices have the people

and skills needed to execute their missions.

OPM agrees that clear terminology is important and that strategic human capital planning should be distinguished from operational staffing planning. In response to these comments, OPM has revised the final rule to clarify the relationship between the consolidated Annual Staffing Plan and the agency’s broader strategic human capital management obligations, as reflected in the definition of Annual Staffing Plan at § 250.202. The final rule makes clear that Annual Staffing Plans are the operational implementation mechanism for the agency’s strategic human capital strategy and are not a substitute for aligning human capital to the agency’s strategic plan, Annual Performance Plan, and administration priorities. OPM agrees that the CHCO should coordinate the Annual Staffing Plan with the CFO, COO, and senior leadership, and has added language to § 250.205 to reflect this expectation.

Succession Planning

Comment 0003 objected more broadly, arguing that replacing the HCOP with Annual Staffing Plans forces a short-term mentality onto Federal agencies designed for long-term national stability. Comment 0003 stated that managing human capital on a strict year-to-year basis makes it impossible to build and retain specialized talent pipelines and will trigger severe retention crises and skill gaps. Likewise, comment 0009 expressed concern that consolidating the planning and review framework could dilute attention to leadership succession planning. The commenter stated that multi-year investment in developing a bench of qualified career executives is “different in kind from annual hiring and staffing metrics, and it can be crowded out” if not explicitly addressed in the rule. The commenter recommended that the final rule includes explicit multi-year succession planning language to ensure succession planning is not subordinated to short-term staffing metrics.

OPM does not agree that the consolidated planning framework imposes an inappropriately short-term mentality on Federal agencies. Under the final rule, § 250.205(b)(2) specifically includes language that says the Annual Staffing Plan “must . . . enable succession planning” and the Annual Staffing Plan must support the four Human Capital Framework systems, of which Talent Management is one of the four systems and encompasses succession management. The final rule’s systems and standards under § 250.203(b) (Talent Management)

obliges agencies to engage in designing and implementing strategies that will “attract, acquire, develop, promote, and retain quality talent.” Developing, promoting, and retaining talent are all implicitly long-term goals for any human capital management system.

In addition, succession planning for leadership and management is also covered by 5 CFR part 412, subpart B. Further, § 250.204(a)(4) and (5) specifically mention these are responsibilities for the agencies in addition to § 250.204(a)(6) requiring a “knowledge management process to ensure continuity in knowledge sharing.” As noted in Executive Order 14356, *Ensuring Continued Accountability in Federal Hiring*, 90 FR 48387 (Oct. 20, 2025), the Annual Staffing Plan is intended as a dynamic implementation document that is reviewed and updated on an ongoing basis, not a rigid annual snapshot. The final rule also clarifies that the Annual Staffing Plan must be developed on a timeline consistent with the agency’s strategic planning and budget formulation cycle under the OMB Circular A–11, Part 6, so that workforce planning, resource allocation, and performance planning decisions are coordinated rather than sequenced.

Administrative Burden of Quarterly Reviews

Comments 0003, 0005, and 0002 raised concerns about the administrative burden created by the proposed Quarterly Staffing Plan Performance Reviews. Comment 0003 argued that forcing human resources staff into quarterly review cycles diverts resources from substantive recruiting and onboarding. Comment 0005 stated that, given recent reductions in Federal agency capacity, agencies do not have the capacity to absorb additional compliance requirements. Comment 0002 argued the rule lacks a cost-benefit analysis demonstrating that the benefits of additional oversight requirements outweigh the costs.

OPM acknowledges these concerns but does not agree that the final rule adds a review requirement. Agencies are already required to conduct quarterly human capital reviews. Current § 250.207 requires HRStat quarterly data-driven reviews of human capital performance, led by the Chief Human Capital Officer in coordination with the agency Performance Improvement Officer. This rule does not create a new review cycle; it modifies the existing one, reorienting the quarterly review from HRStat reporting to implementation of the agency’s Annual Staffing Plan.

The Expected Impact section of this preamble addresses the cost-benefit analysis. The quarterly cadence is a necessary component of effective human capital oversight and is consistent with the Government Performance and Results Act Modernization Act of 2010 performance review framework, which agencies already administer on a quarterly basis through their Performance Improvement Officers. By consolidating the Human Capital Operating Plan, Human Capital Review, and HRStat quarterly review into a single framework, the final rule reduces required reporting rather than adding to it.

The existing HRStat process has been used to monitor, evaluate, and align agency strategic planning and evaluation systems as part of the Human Capital Framework. OPM intends for the Quarterly Staffing Plan Performance Reviews to build upon existing agency review processes rather than create duplicative burdens, and OPM will issue guidance to minimize compliance overhead. The agency Performance Improvement Officer supports the quarterly priority progress reviews that 31 U.S.C. 1121(c) requires of the agency head and Chief Operating Officer, and current § 250.207 already requires the Chief Human Capital Officer to conduct the quarterly human capital review in coordination with that same Performance Improvement Officer. The two processes therefore already share a participant and a quarterly cadence. The final rule accordingly makes clear that agencies may integrate the Staffing Plan Performance Review into their existing quarterly reviews where practicable, rather than convening a separate meeting.

Comment 0009 supported that integration but recommended that OPM specify a minimum standing agenda allocation for workforce metrics so that workforce issues are not crowded out by competing agenda items. OPM acknowledges the concern and may address these matters in implementation guidance.

Workforce Recruitment, Retention, and Morale

Comments 0002, 0003, and 0005 asserted that the rule will harm workforce recruitment, retention, and employee morale. Comment 0002 argued that the changes would negatively affect employee retention and hiring efforts, resulting in higher costs and lower-quality candidates. Comment 0003 predicted that year-to-year staffing planning would trigger “severe retention crises and skill gaps” and warned that a workforce that feels

silenced and ignored will suffer from low morale, driving talented civil servants out of public service. Comment 0006 likewise emphasized that workload and morale measures should inform staffing plans, observing that persistent, widespread unreasonable workloads can lead to errors and mishaps, including in high-stakes environments such as emergency response.

OPM has considered these comments carefully and does not agree that the rule will impair the Government’s ability to recruit and retain a high-quality workforce; OPM expects the opposite effect. The final rule requires each agency to direct its hiring to its highest-need positions, to address skills gaps, and to enable succession planning (§ 250.205(b)(2)), and it synchronizes workforce planning with the budget formulation cycle so that agencies can commit to hiring decisions when resources are known rather than after opportunities have passed.

Slow, diffuse, and poorly prioritized hiring—not disciplined planning—is what costs agencies top candidates: applicants who wait months for a certificate or a final offer frequently accept employment elsewhere. A staffing plan that concentrates hiring capacity on the positions agencies need most and is reviewed quarterly for progress should shorten that cycle and improve both the speed and the quality of Federal hiring. OPM’s recently issued *Guidance on Annual Staffing Plans* implements this approach for the FY 2027 cycle, directing agencies to conduct bottom-up workforce planning that reserves billets and budget for mission-critical, technology, and early-career hires; to recruit through pooled hiring actions and shared certificates; and to assess every external hire using a validated technical or alternative assessment rather than a self-assessment questionnaire alone—measures aimed squarely at improving the speed and quality of Federal recruitment. OPM, *Guidance on Annual Staffing Plans* (July 30, 2026), <https://www.opm.gov/chcoc/latest-memos/guidance-on-annual-staffing-plans.pdf>.

The commenters’ contrary predictions that the rule will hurt recruitment rest largely on the premise that the rule adds administrative burden. But, as explained above, the rule consolidates three overlapping requirements into a single framework and permits integration with existing quarterly reviews.

Nor does the rule diminish the Government’s attention to morale. The final rule retains a Governmentwide requirement that every agency survey its

employees annually, and the prescribed items measure conditions closely tied to morale and engagement—whether employees feel empowered, whether coworkers cooperate, whether meaningful distinctions in performance are recognized, whether supervisors provide career-development feedback, and whether employees can disclose suspected wrongdoing without fear of reprisal, a core measure of employee voice. Agencies remain free, and are encouraged, to field additional engagement, satisfaction, workload, and morale items tailored to their workforces (and to conduct additional “pulse” surveys throughout the year), and OPM’s Employee Survey Playbook¹ provides model content and methodological support. The rule does not silence employee feedback; it places responsibility for gathering and acting on that feedback with the agency leaders best positioned to respond to it.

Finally, OPM notes that Annual Staffing Plans must include metrics for evaluating current and future workforce and staffing needs (§ 250.205(b)(1)), and that OPM and OMB will review implementation annually through the Annual Staffing Review. In response to comment 0009’s recommendation that OPM maintain a stable set of core human capital metrics that persists across administrations, OPM notes that its Guidance on Annual Staffing Plans specifies the core hiring and workforce measures agencies must address in preparing their FY 2027 Annual Staffing Plans. OPM, *Guidance on Annual Staffing Plans* (July 30, 2026), <https://www.opm.gov/chcoc/latest-memos/guidance-on-annual-staffing-plans.pdf>. That guidance directs agencies to identify mission-critical occupations and skills gaps, together with plans for closing them, and to include in each plan a detailed hiring forecast projecting—by quarter and by mission area or component—total hires, external hires versus internal placements, mission-critical occupation hires, technology hires, and early-career hires, measured against standing Governmentwide targets. Agencies must report performance against each target in their quarterly updates and must justify, and set a corrective trajectory for, any projected variance; OPM and OMB will track progress through the Quarterly Staffing Plan Performance Review and Annual Staffing Review processes. This guidance illustrates how the planning cadence reflected in this rule can support multi-year workforce

planning efforts based on core human capital metrics.

CHCO Visibility, Oversight, and Control

Comment 0009 expressed strong support for the proposed requirement at § 250.204(e) that agencies ensure their internal delegations, organizational structure, policies, and technological systems give the CHCO sufficient visibility, oversight, and control to carry out statutory functions under 5 U.S.C. 1401 and 1402. The commenter noted this has been a persistent, longstanding problem, as confirmed by Government Accountability Office (GAO) reporting. The commenter expressed concern, however, that the provision as drafted “states an obligation without a mechanism for verifying compliance” and recommended that the final rule direct OPM to require an annual, agency-head-certified attestation confirming that the CHCO has the required visibility, oversight, and control, with any gaps identified and a remediation timeline attached.

Comment 0006 similarly recommended that the final rule require CHCO coordination with the CFO, COO, and senior leadership to ensure the CHCO has the organizational standing to perform the functions contemplated by the rule.

Comment 0003 raised a concern in the opposite direction, arguing that giving the CHCO top-down singular control over all human capital functions risks creating an environment detached from individual component needs and stripping sub-agencies of the operational flexibility needed to address local staffing challenges.

OPM agrees with Comment 0009 that the CHCO visibility requirement requires a compliance verification mechanism to be effective. OPM has added a requirement to § 250.206 that, as part of each Annual Staffing Review, agencies submit an agency head certification confirming that the CHCO has the visibility, oversight, and control required under § 250.204(e), and that any identified gaps are documented with a remediation timeline. This addition provides the accountability mechanism the commenter identified while preserving agency flexibility in how CHCO authority is structured internally.

OPM does not agree that strengthening CHCO authority necessarily undermines sub-agency operational flexibility. The final rule preserves the agency’s ability to delegate authorities consistent with the CHCO’s oversight responsibilities and does not prohibit sub-agencies from maintaining

operational human capital functions appropriate to their missions.

Political-to-Career Conversion Safeguards (“Burrowing In”)

Comment 0010 expressed general support for the proposed rule and offered targeted recommendations to address political-to-career conversions. The commenter recommended that: (1) § 250.203 be amended to require agency human capital management systems to include screening for political-to-career conversions, with OPM pre-approval required before such actions are finalized; (2) § 250.204 be amended to require agencies to certify that no political influence occurred and that OPM requirements for political-to-career conversions were followed, including for reassignments and details; (3) § 250.205 be amended to require agencies to review hiring actions involving political appointees and assess whether details, transfers, and reassignments were consented to and properly justified; (4) § 250.206 be amended to require documentation of any attempts to support political-to-career conversions; and (5) a new § 250.210 be added to require written employee consent for details over 60 days, justification for involuntary details, and CHCO approval for directed reassignments.

OPM appreciates the comment’s detailed recommendations and shares the concern that improper political-to-career conversions undermine merit system principles. The safeguards the commenter describes, however, are already in place and are administered by OPM outside this part.

Agencies must obtain OPM’s approval before appointing a current or recent political appointee to a permanent competitive service, non-political excepted service, or career Senior Executive Service position, including time-limited appointments that would permit later noncompetitive conversion. For this purpose, a recent political appointee is an individual who held a covered political appointment within the preceding five years. OPM administers this pre-appointment review; agencies submit a pre-appointment checklist, and OPM examines the action for compliance with merit system principles and applicable civil service law before the appointment may be made. This review operates against the background requirements of 5 U.S.C. 2301 (merit system principles), 5 U.S.C. 2302 (prohibited personnel practices), 5 U.S.C. 3317 and 3318 (certification and selection in the competitive service), Civil Service Rules 4.2 and 7.1 (5 CFR

¹ Employee Survey Playbook, U.S. Office of Personnel Management, <https://www.opm.gov/chcoc/latest-memos/employee-survey-playbook.pdf>.

4.2, 7.1), 5 CFR part 317 (career SES appointment procedures), and OPM's memorandum to Chief Human Capital Officers, Political Appointees and Career Civil Service Positions (Dec. 30, 2022), https://www.opm.gov/chcoc/transmittals/2022/Political%20Appointees%20and%20Career%20Civil%20Service%20Positions_508.pdf. OPM also conducts ongoing oversight of completed conversions under 5 U.S.C. 1104 and 5 CFR 5.2.

Recommendations (1) through (4) would restate these existing obligations within part 250's human capital planning and evaluation provisions. OPM declines to do so. The pre-appointment review is already mandatory and Governmentwide: no agency may appoint a current or recent political appointee to a covered career position without OPM's advance approval, and OPM examines each proposed action for evidence of political influence before it may proceed. Layering a duplicative planning-stage approval or certification on top of that review would add process without adding protection. OPM also notes that the Annual Staffing Review and Quarterly Staffing Plan Performance Review framework adopted in this final rule will give OPM and OMB regular, structured visibility into agency hiring patterns, complementing the conversion-specific review described above. Agencies remain fully bound by the pre-appointment review described above, and OPM will continue to enforce it.

Recommendation (5) is outside the scope of this rulemaking. It would establish new requirements governing employee consent to details, justification for involuntary details, and approval of directed reassignments. The proposed rule did not propose to regulate details or reassignments; those matters are governed by 5 U.S.C. 3341 and 5 CFR parts 300 and 335, and the public was not on notice that this rulemaking might address them. OPM therefore does not adopt recommendation (5) in this final rule.

Strategic Hiring Committee and Merit System Principles

Comments 0005 and 0007 raised legal and policy objections to the proposed Strategic Hiring Committee. The comments argued that centralizing career hiring decisions in political appointees under the proposed Strategic Hiring Committee violates 5 U.S.C. 2301(b)(2), 2301(b)(8)(A), 2302(b)(1)(E), and 2302(b)(3), which prohibit consideration of political affiliation in competitive and excepted service hiring.

The commenters further objected that undefined hiring criteria such as "patriotism" provide insufficient guardrails against partisan favoritism. Comment 0005 further characterized the Strategic Hiring Committee as political interference in career agency operations.

Comment 0006 did not specifically address the Strategic Hiring Committee but emphasized broadly that modernization of strategic human capital management must reinforce, not erode, the merit system principles that have long guided the Federal civil service. Comment 0009 supported the requirement that the CHCO serve on the Committee alongside the Deputy Secretary or equivalent and recommended that the final rule also require the Committee to solicit written input from the relevant career senior executive with programmatic responsibility before acting on a position within that executive's chain of command.

OPM takes seriously its obligation to administer the merit system in compliance with applicable statutes and disagrees that the Strategic Hiring Committee is inconsistent with those obligations. The Committee is not a creation of this rule. Executive Order 14356 directs each agency to maintain a Strategic Hiring Committee through which agency leadership reviews and approves the creation of positions and hiring actions; this rule incorporates that requirement into part 250 so that it operates alongside, rather than apart from, the agency's other human capital planning obligations. The Committee's function is accordingly to oversee the agency's hiring program—to ensure that the agency's hiring is directed to its highest-need positions and is consistent with its mission needs and its Annual Staffing Plan.

This rule confers no examining authority on the Committee. Rating, ranking, and certification of eligibles are governed by 5 U.S.C. 3317 and 3318 and 5 CFR part 332 and are carried out under the agency's examining authority, and this rule makes no change to those authorities or to the requirement that an appointing official select from among the eligibles properly certified under them. That an individual official may separately take part in an assessment process under those existing authorities—for example, as a subject-matter expert—is a function of that official's role in the examining process, not of Committee membership, and this rule neither creates nor enlarges any such role. The commenters' central premise—that the rule centralizes career hiring decisions in a manner that

displaces competitive examination—is therefore incorrect.

That senior agency officials participate in and are accountable for the agency's hiring decisions is neither novel nor unlawful. Nothing in the merit system requires that appointment decisions be insulated from agency leadership. To the contrary, sustained involvement by senior leadership is a hallmark of effective human capital management. GAO has long reported that the personal commitment and accountability of an agency's top leaders is among the most consistent predictors of progress in strategic human capital management—and that its absence is a central reason the area has remained on the High-Risk List since 2001. *See* GAO, *A Model of Strategic Human Capital Management*, GAO-02-373SP (Mar. 15, 2002) (identifying the "sustained commitment by agency leaders" as the first cornerstone of strategic human capital management), <https://www.gao.gov/products/gao-02-373sp>; GAO, *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas*, GAO-19-157SP (Mar. 6, 2019) (leadership commitment is the first of the five criteria GAO uses to assess progress toward removal from the High-Risk List), <https://www.gao.gov/products/gao-19-157sp>; GAO-25-107743, <https://files.gao.gov/reports/GAO-25-107743/index.html>.

The Chief Human Capital Officers Act likewise places workforce strategy with a senior official answerable to agency leadership precisely because staffing decisions are inseparable from decisions about mission, budget, and organizational design. *See* 5 U.S.C. 1401 (the head of each agency shall appoint or designate a Chief Human Capital Officer to "advise and assist the head of the agency and other agency officials" in workforce management). Executive Order 14356 and OPM's Guidance on Annual Staffing Plans carry that principle forward: workforce planning is built from the bottom up by the managers closest to the work and then validated by the Strategic Hiring Committee and the CHCO, so that the officials accountable for the agency's mission and resources are also accountable for the staffing decisions that determine whether the mission can be met. Hiring executed without leadership engagement produces the very pathologies commenters elsewhere decry—diffuse priorities, unfilled mission-critical positions, and hiring disconnected from budget reality.

An applicant or employee who believes a Committee member has discriminated on the basis of political

affiliation, or who has granted a preference or advantage not authorized by law, may seek corrective action through the Office of Special Counsel under 5 U.S.C. 1214, and the Merit Systems Protection Board may discipline officials who commit prohibited personnel practices under 5 U.S.C. 1215. Civil Service Rule IV (5 CFR 4.2) independently prohibits inquiry into the political affiliation of applicants and eligibles and any discrimination on that basis.

As to the concern regarding undefined criteria such as “patriotism,” this rule prescribes no qualification, suitability, or selection criteria for individual hiring actions. Qualification requirements continue to be governed by 5 CFR part 300, subpart A, and the qualification standards OPM issues thereunder, and suitability and fitness determinations continue to be governed by 5 CFR part 731. This rule confers on the Strategic Hiring Committee no authority to establish or alter either.

Comment 0007 also pointed to materials outside this rulemaking—including OPM’s Merit Hiring Plan, related guidance on application essay questions, and pending litigation concerning one such question—as evidence that the Committee structure will facilitate politicized hiring. OPM affirms that no hiring criterion, however labeled, may be applied to prefer or exclude a candidate on the basis of political affiliation, and an official who does so commits a prohibited personnel practice under 5 U.S.C. 2302 regardless of the organizational setting—a hiring committee or otherwise—in which the violation occurs. The Committee exists to ensure that hiring is directed to mission needs and that agency leadership is involved in and accountable for the agency’s workforce planning. OPM disagrees that this structure will facilitate politicized hiring. If anything, a standing committee whose decisions are documented against a published Annual Staffing Plan and reviewed by OPM and OMB through the Annual Staffing Review makes improper influence easier to detect, not harder: structured, recorded decisions tied to pre-established mission criteria leave a trail, while diffuse and undocumented hiring processes offer far more cover for favoritism. This rule alters none of the prohibitions, or the remedies for their violation, discussed above.

Finally, OPM does not agree that agencywide oversight of hiring is in tension with the merit system. Directing scarce hiring capacity to an agency’s highest-need positions is a core management responsibility, and 5

U.S.C. 1401 and 1402 contemplate that the Chief Human Capital Officer will exercise that kind of oversight. The Committee’s required composition—the Deputy Secretary or equivalent and the chief of staff to the agency head, together with the Chief Human Capital Officer—follows from Executive Order 14356, which requires that the deputy agency head participate, and from the human capital leadership responsibilities the Chief Human Capital Officers Act assigns to the CHCO. OPM notes that it proposed to add the regulatory provisions related to the Strategic Hiring Committee to implement E.O. 14356, which states: “The Strategic Hiring Committee shall include the deputy agency head and the chief of staff to the agency head, along with such other senior officials as the agency head may designate.” The final regulatory text corrects the composition of the Strategic Hiring Committee to include the chief of staff to the agency head in accordance with E.O. 14356. OPM acknowledges that the proposed regulatory text did not list the chief of staff to the agency head as a required Committee member. This revision does not create a new substantive obligation; it conforms the regulation to the Committee composition that E.O. 14356 already requires and under which agencies are already operating. Because the change makes no operative legal change and simply allows the regulation to reflect existing requirements, OPM finds, pursuant to 5 U.S.C. 553(b)(B), that good cause exists to finalize this conforming revision without additional notice and opportunity for comment, which would be unnecessary. It pairs mission and resource accountability with the agency’s senior human capital official. In any event, all applicable requirements under 5 U.S.C. chapters 23 and 33 and other statutes and regulations still apply to all hiring practices and decisions.

OPM has also considered comment 0009’s recommendation that the Committee be required to solicit written input from the relevant career senior executive before acting on a position within that executive’s program area. OPM agrees that program-level expertise is important to sound hiring decisions but declines to prescribe mandatory Committee procedures in regulatory text. The rule establishes the Committee’s minimum composition and function; it does not limit the officials a Committee may consult, and nothing in the rule precludes a Committee from soliciting written input from career senior executives, program managers, or subject-matter experts. OPM expects

Committees to draw on that expertise as a matter of course and will address recommended practices for Committee operations in implementation guidance.

Workforce Diversity and Merit System Principles

Comments 0007 and 0005 opposed the proposed rule’s removal of diversity references from the regulations. Comment 0007 argued that diversity policies are codified in statute—specifically, 5 U.S.C. 2301(b)(1), which establishes as a merit system principle that the Federal workforce be drawn “from all segments of society.” The commenter further argued that affirmative action requirements in 5 U.S.C. 3102 and 3112 and 29 U.S.C. 791(b) cannot be overridden by OPM rulemaking, and that OPM’s rulemaking authority under 5 U.S.C. 1103(a)(5)(A) and 1401(1), (2) expressly constrains OPM to act consistent with those statutory provisions.

OPM does not accept the premise that the statutes the commenters cite establish “diversity” requirements of the kind reflected in the regulatory language being removed. The merit system principle at 5 U.S.C. 2301(b)(1) provides that recruitment should be from qualified individuals from all segments of society, and that selection and advancement should be determined solely on the basis of relative ability, knowledge, and skills, after fair and open competition. That is a command to recruit broadly and to select on merit alone; it neither requires nor permits agencies to pursue demographic representation targets or to consider race, sex, or other protected characteristics in personnel decisions, and it therefore provides no statutory foundation for the regulatory references being removed. The provisions the commenters cite concerning individuals with disabilities and disabled veterans are specific statutory obligations that operate independently of part 250 and bind agencies by their own force; part 250 need not restate them for them to apply. This rule makes no change to § 250.204(a)(4), which continues to require that agencies recruit, hire, develop, and retain an effective workforce, especially in the agency’s mission-critical occupations. Nothing in this rule alters agency obligations under 5 U.S.C. 3102 (readers, interpreters, and personal assistants for employees with disabilities), 5 U.S.C. 3112 (noncompetitive appointment of disabled veterans), or 29 U.S.C. 791(b) (affirmative action for individuals with disabilities).

As proposed, the final rule removes the references to a “diverse” workforce

in § 250.203(b) and (c). As OPM explained in proposing that removal, the existing references to a “diverse” workforce may be read to suggest that agencies are required or permitted to take race or other protected characteristics into account in hiring, evaluation, and promotion decisions, and OPM proposed to remove that unnecessary and potentially misleading language. 91 FR 40435, 40438 (July 2, 2026).

The removal is also consistent with Executive Order 14151, *Ending Radical and Wasteful Government DEI Programs and Preferencing*, 90 FR 8339 (Jan. 29, 2025). Requirements that agencies comply with applicable equal employment opportunity and merit system principles, including nondiscrimination, remain in force under 5 U.S.C. 2301 and 42 U.S.C. 2000e–16. The commenters’ objections identify statutory requirements that this rule leaves fully intact; they do not identify a statute that compels the particular regulatory language being removed. OPM has considered those objections and is not persuaded to depart from the proposal. Other references to executive-driven diversity, equity, and inclusion (DEI) programs that are not compelled by statute are removed on the same basis.

OPM is not eliminating any statutory obligation in this final rule. The final rule is consistent with a merit-based, nonpartisan civil service that draws from all segments of society as Congress has required.

Annual Employee Surveys

The single most frequently raised theme across the comments concerns OPM’s proposed changes to the annual employee survey, addressed in subpart C (§§ 250.302 and 250.303), and the discontinuation of the Federal Employee Viewpoint Survey. Six of the nine comments address this subject in some form (comments 0003, 0004, 0006, 0007, 0008, 0009), reflecting its evident importance to stakeholders.

The Federal Employee Viewpoint Survey (FEVS) is often conflated with the annual employee survey (AES) requirement set in section 1128 of the National Defense Authorization Act for Fiscal Year 2004, Public Law 108–136, div. A, tit. XI (5 U.S.C. 7101 note), which requires each agency to conduct an annual survey covering two content areas. That statute directs OPM to prescribe survey questions by regulation, and this final rule modifies those prescribed questions. The FEVS was part of a larger effort by OPM to assess a variety of human capital topics, and OPM incentivized agencies to

participate in the FEVS by including the required AES items. By participating in the FEVS, agencies would meet their required survey obligation.

In 2026, after serious consideration, OPM decided to discontinue the Governmentwide administration of FEVS, as it was felt the survey had become a check-the-box activity and did not yield actionable insights sufficient to justify the cost and burden it imposed. (OPM paused the survey for 2025 to allow agencies to focus on other workforce priorities; see OPM, 2025 Federal Employee Viewpoint Survey and Compliance with Recent Executive Orders (Feb. 28, 2025), <https://www.opm.gov/chcoc/transmittals/2025/Memo%20on%20FEVS%20ReportsFINAL.pdf> (delaying the 2025 survey); OPM, Cancellation of 2025 OPM Federal Employee Viewpoint Survey (Aug. 15, 2025), <https://content.govdelivery.com/accounts/USOPM/bulletins/3ede04d>).

FEVS did not provide enough meaningful assessment as a general purpose, one-size-fits-all instrument, nor did it have enough actionable feedback or make a real impact for employees to be worthwhile. OPM’s reasoning is set out more fully in its survey guidance and public statements. OPM, *Annual Employee Survey Administration Requirements—2026 and Beyond* (July 9, 2026), <https://www.opm.gov/chcoc/latest-memos/annual-employee-survey-administration-requirements-2026-and-beyond.pdf>; OPM, *Measure What Matters*, Secrets of OPM (July 1, 2026), <https://usopm.substack.com/p/measure-what-matters>.

As OPM has explained, it believes strongly in well-designed employee engagement surveys—surveys that help managers understand whether the organization is aligned around the right objectives, whether employees understand how their work contributes to those objectives, whether managers hold team members accountable, reward excellence, and develop top performers, and whether employees can report wrongdoing without fear of reprisal. But a single, centrally administered annual instrument is poorly suited to those ends: objectives and priorities shift during the year, a “one and done” survey becomes a checkbox exercise, and organizations as large and managerially distributed as Federal agencies are not served equally well by one Governmentwide ritual. Survey data are actionable only when collected at the right level of detail, reviewed by the managers closest to the work, and used to diagnose and correct real problems—which requires agencies to own their

surveys. The prescribed common questions preserve OPM’s visibility into Governmentwide trends so that systemic challenges can still be identified centrally.

Core Survey Question Set

Several organizational comments (0006, 0007, 0008, 0009), along with comment 0003, objected to reducing the number of items from sixteen questions to ten, and several—most pointedly comment 0007 and comment 0008—argued this violates the statutory mandate that the survey address specific topics, including work environment, rewards and recognition, and professional development.

It is OPM’s position that the statute underlying the annual employee survey requires OPM to prescribe common questions “to allow comparison across agencies” and requires that results be made public. It does not require that OPM itself administer every agency’s survey instrument, dictate a single Governmentwide field period, or otherwise control agency-level survey logistics. The final rule preserves the statutorily required mechanism for comparability—a common core of required questions appearing on every agency’s survey—while returning survey administration to the agencies that are closest to their own workforce populations and best positioned to tailor supplemental content to their missions. This is consistent with, not contrary to, the statutory design.

For additional context, the items required in regulation have changed before; in December 2016 the regulation was modified to change the number from 45 to 16 items. This reduction in the number of required items allowed the larger FEVS to adapt and meet new needs. The survey, either the FEVS or the AES items, was never meant to be permanent, but allowed to change as the workforce and workplace needed. While OPM acknowledges there are benefits to being able to trend results over time, there are also benefits to refreshing the content to meet the current needs.

Commenters contended that the proposed survey items do not meet the requirements of the statute regarding content areas that must be addressed (comments 0006, 0007) and that some of the items have some technical faults in their design like unclear wording or response choices (comments 0004, 0007, 0008). OPM respectfully disagrees.

Section 1128(a) requires each agency to conduct an annual survey of its employees—expressly “including survey questions unique to the agency and questions prescribed under subsection (b)” —to assess (1) leadership

and management practices that contribute to agency performance and (2) employee satisfaction with leadership policies and practices; the work environment; rewards and recognition for professional accomplishment and personal contributions to achieving organizational mission; opportunity for professional development and growth; and opportunity to contribute to achieving organizational mission.

The content areas Congress enumerated therefore attach to the agency's survey as a whole, which the statute defines to include the agency's own questions, and not solely to the subset of items OPM prescribes by regulation. Subsection (b) directs OPM to prescribe questions that should appear on all agency surveys "in order to allow a comparison across agencies." It does not direct OPM to prescribe a separate item for each content area, to prescribe any particular number of items, or to require that an item use the word "satisfaction" or a satisfaction response scale. Section 250.302(a)(1) preserves each agency's ability to include questions unique to the agency, and the prescribed items accordingly operate as a floor rather than a ceiling.

The prescribed items nonetheless reach each of the statutory content areas. Leadership and management practices that contribute to agency performance are addressed by items (i), (v), (ix), and (x); leadership policies and practices by items (i), (iv), and (v); the work environment by items (ii) and (viii); rewards and recognition for professional accomplishment and personal contributions to achieving organizational mission by item (iii); opportunity for professional development and growth by item (iv); and opportunity to contribute to achieving organizational mission by items (vi) and (vii). Assessing these conditions through agreement-scaled items is an accepted measurement practice and is consistent with the approach used for the Annual Employee Survey items as administered through the FEVS. An employee's reported agreement that differences in performance are recognized in a meaningful way, or that a supervisor provides ongoing feedback to help the employee succeed and progress in a career, is a direct measure of that employee's assessment of the agency in the corresponding content area. OPM does not read the statute to require that a content area be assessed only by an item that recites the statutory phrasing.

As to the technical concerns about item wording and response options, OPM has considered each of them and

concludes that they reflect differences in professional judgment about survey design and item construction rather than defects that would prevent the items from assessing the statutory content areas. Agencies retain discretion to supplement the prescribed items where they determine that additional or differently constructed items would better serve their workforce, and OPM will continue to support agencies through guidance such as the Employee Survey Playbook (OPM, *Employee Survey Playbook: A Guide for Federal Agencies* (July 2026), <https://www.opm.gov/chcoc/latest-memos/employee-survey-playbook.pdf>) and OPM's annual survey administration requirements. OPM, *Annual Employee Survey Administration Requirements—2026 and Beyond* (July 9, 2026), <https://www.opm.gov/chcoc/latest-memos/annual-employee-survey-administration-requirements-2026-and-beyond.pdf>. OPM is making no changes to the proposed survey items in this final rule.

Survey Methodology, Timing, and Public Disclosure

Some comments claim that a smaller survey or distributed survey effort would be detrimental, or would lack control and standardization (comments 0003, 0006, 0008). As mentioned, part of the reason the FEVS was discontinued was because its one-size-fits-all approach makes it difficult for agencies to assess their own needs without also doing their own survey in addition to participating in the FEVS.

In fact, it was this need for customization that led three large agencies to discontinue participating in the FEVS altogether in years prior to 2025—National Aeronautics and Space Administration, the Department of Veterans Affairs, and the Securities and Exchange Commission all decided to do their own surveys as the FEVS could not meet their needs. While the FEVS did allow agencies to add their own agency-specific survey items, the number of those items was limited and had to be asked to the entirety of the agency, which may not be appropriate if only a portion of the agency needed to be addressed.

By returning the responsibility of surveying their employees to the agency and decreasing the total number of survey items required, plus giving options for the methodologies that best suits them, agencies will be able to craft survey items and whole surveys that better serve their specific needs. Using these flexibilities, agencies can continue or even expand on content that the FEVS promoted, such as assessing

employee engagement. OPM will continue to assist agencies by providing guidance and expert advice to meet their obligations, such as the Employee Survey Playbook which provides information and considerations for administering a proper survey.

Comment 0008 objected that revised § 250.303(a) removes the current regulation's enumerated categories of required public disclosure and permits each agency to determine the specific content of its public release, which the commenter argued could allow selective or incomplete reporting. OPM does not intend, and the final rule does not permit, disclosure that misrepresents survey results. The governing statute requires that the results of the annual survey be made available to the public, and § 250.303(a) carries that command forward: each agency must make the results of its annual survey available to the public and post them on its website, subject only to the narrow national security exception stated in the rule.

OPM will address the content of public releases—including publication of the survey instrument, response rates, and item-level results for the prescribed questions—in implementation guidance, and agencies must submit complete results to OPM and OMB under § 250.303(c), which preserves centralized oversight and enables OPM to publish Governmentwide comparisons. OPM has concluded that this combination of a statutory disclosure floor, annual administration requirements, and centralized reporting better accommodates variation in agency size and structure than a single enumerated list, and OPM therefore declines to retain the prior list in regulatory text.

Comment 0008 also expressed concern that agency-by-agency administration could weaken respondent confidentiality and, with it, employee trust and candor, particularly at small components. OPM agrees that confidentiality is essential to reliable measurement. The Employee Survey Playbook addresses anonymity, confidentiality, minimum reporting thresholds, and data-handling practices, and OPM's annual administration requirements will continue to set confidentiality expectations for agency surveys. Agencies also remain bound by the Privacy Act of 1974, 5 U.S.C. 552a, in collecting and maintaining survey records. OPM will monitor response rates across agencies and will revisit these safeguards in future administration requirements if participation data indicate an erosion of employee trust.

Comments 0006 and 0009 recommended that OPM publish a bridge or crosswalk analysis relating the prior sixteen prescribed items to the ten items adopted in this final rule, so that agencies can maintain trend analysis across the transition, and comment 0009 further recommended adding a prescribed item measuring perceived pathways into senior executive positions. OPM agrees that measurement continuity has value and will publish a crosswalk discussing the relationship between retiring and incoming items as part of its implementation guidance. OPM declines to add an eleventh prescribed item in this final rule; an agency whose leadership pipeline warrants it may add such an item as an agency-specific question, and OPM will consider leadership-pipeline content in future updates to the prescribed set.

Comment 0008 further objected that OPM guidance issued during this rulemaking directed agencies to implement elements of the proposed framework for the 2026 survey cycle before a final rule took effect. The annual survey obligation rests on each agency by force of section 1128 regardless of who administers the instrument, and OPM's decision to discontinue centralized administration of the FEVS was a programmatic decision committed to OPM's discretion; it did not require rulemaking. OPM confirms that agencies remain bound by the survey regulations in effect at the time a survey is administered, and this final rule operates prospectively from its effective date.

Conforming Amendments

As proposed, OPM is making conforming amendments to 5 CFR part 250 as reflected in the regulatory text below. References to the Human Capital Operating Plan (HCOP), Human Capital Reviews (HCR), and HRStat quarterly reviews are replaced or consolidated consistent with this final rule. Cross-references within part 250 are updated accordingly. Additionally, OPM proposed the revised strategic human capital planning and reporting processes to implement Executive Order 14356, which applies to "all executive departments and agencies." Although the proposed rule explained the purpose and scope of the proposed revisions in the preamble, OPM did not adjust 5 CFR 250.201, *Coverage and purpose*, and is now making a conforming edit to align Subpart B with the agencies to which E.O. 14356 applies. The final rule revises § 250.201 to apply to agencies covered by 5 U.S.C. 306(f), which is the

same population of agencies already submitting Annual Staffing Plans to OPM and OMB under E.O. 14356. OPM acknowledges that this revision to § 250.201 was not included in the proposed regulatory text. The revision does not make any operative legal change or impose a new substantive obligation. It simply allows the regulation to reflect the existing requirements of E.O. 143566 and the scope the proposed rule described. OPM therefore finds, pursuant to 5 U.S.C. 553(b)(B), that good cause exists to finalize this conforming revision without additional notice and opportunity for comment, which would be unnecessary.

Expected Impact of This Rulemaking

A. Statement of Need

OPM issues this rule pursuant to 5 U.S.C. 1103(a)(5), 1103(c), 1401, and 1402, and, as to subpart C, section 1128 of the National Defense Authorization Act for Fiscal Year 2004, Public Law 108–136, div. A, tit. XI (5 U.S.C. 7101 note). Three deficiencies warrant action. The Human Capital Operating Plan, Human Capital Reviews, and HRStat quarterly reviews overlap in content and are produced on schedules unsynchronized with the budget and performance cycles under OMB Circular A–11; GAO has designated strategic human capital management a high-risk area since 2001, and the area remains on GAO's High-Risk List as of 2025. GAO, *High-Risk Series: An Update*, GAO–01–263 (Jan. 2, 2001), <https://www.gao.gov/products/gao-01-263>; GAO, *High-Risk Series: Heightened Attention Could Save Billions More and Improve Government Efficiency and Effectiveness*, GAO–25–107743 (Feb. 2025). Chief Human Capital Officers frequently lack the authority that 5 U.S.C. 1401 and 1402 presuppose, and the current regulations supply no means of verification. GAO, *Human Capital: Strategies to Help Agencies Meet Their Missions in an Era of Highly Constrained Resources*, GAO–14–168, at 10–11 (May 7, 2014), <https://www.gao.gov/products/gao-14-168>. And the annual survey framework no longer serves its statutory purpose: the statute requires common questions permitting comparison across agencies, not a single Governmentwide instrument, and the Federal Employee Viewpoint Survey grew too long and too general to be useful before OPM discontinued it in 2026.

OPM received nine comments, none identifying a basis for withdrawal, but several identifying respects in which the proposed rule addressed these

deficiencies imprecisely. In response, the final rule defines the Annual Staffing Plan as the operational workforce plan for an agency's strategic human capital strategy rather than a substitute for it (§ 250.202), ties its development to the OMB Circular A–11, Part 6 cycle (§ 250.205(a)(1)), and permits integration of quarterly review into existing reviews under the Government Performance and Results Act Modernization Act of 2010 (§ 250.207). Because comment 0009 correctly observed that the proposed CHCO provision stated an obligation without a means of verifying compliance, OPM adopts in this final rule, in response to that comment, an agency-head certification identifying any gaps in CHCO authority with a remediation timeline (§ 250.206), as a means of verifying compliance with proposed § 250.204(e), which was itself subject to notice and comment, and requires coordination with the Chief Financial Officer, Chief Operating Officer, and senior leadership (§ 250.205), while leaving agencies discretion over internal structure.

Comments further warned that the proposed Strategic Hiring Committee and the proposed removal of diversity references could themselves conflict with merit system principles. The final rule confirms that the Committee's oversight of agency hiring is a governance and workforce-planning function, that the final rule confers no examining, rating, or certification authority on the Committee, and that its members remain subject to 5 U.S.C. 2301 and 2302 in connection with any personnel action they recommend or approve (§ 250.204(f)). The final rule also adopts, as proposed, the removal of nonstatutory references to a "diverse" workforce in § 250.203 and confirms that the removal does not disturb the statutory obligations that remain, including the merit system principle at 5 U.S.C. 2301(b)(1). As to political-to-career conversions, OPM declines to restate in part 250 obligations already imposed through OPM's existing pre-appointment review, and declines, as outside the scope of this rulemaking, the recommendation to prescribe Governmentwide consent and justification procedures for details and reassignments. OPM concludes that the deficiencies identified above warrant regulatory action and that the final rule addresses them while preserving merit system protections and agency flexibility.

B. Impact

The final rule consolidates duplicative human capital planning and

review requirements, reducing compliance burden on agency HR staff. The consolidation of the HCOP, HCR, and HRStat quarterly review into the Annual Staffing Plan, Annual Staffing Review, and Quarterly Staffing Plan Performance Review framework is intended to free CHCO offices to focus on substantive workforce management rather than compliance paperwork, as the Senior Executives Association recommended.

The strengthening of CHCO authority, including the new certification requirement, is expected to improve the visibility and effectiveness of agency human capital leadership—addressing a persistent gap documented by GAO.

C. Costs

This final rule affects Federal agencies subject to 5 CFR part 250. The consolidation of planning and review requirements is expected to reduce, not increase, ongoing administrative costs relative to the current framework by eliminating duplicative HCOP, HCR, and HRStat reporting. Implementation costs are expected to be modest and largely one-time, consisting of the work required to review and update agency delegations, policies, and procedures to align with the new framework. This rule affects over 80 Federal agencies, ranging from cabinet-level departments to small independent agencies. For purposes of this analysis, OPM assumes that the work will be performed by employees at the GS-14, step 5 level under the 2026 Washington, DC, locality pay table (\$163,104 annual locality rate; \$78.15 hourly locality rate), and that the total dollar value of labor, including wages, benefits, and overhead, equals 200 percent of the wage rate, for an assumed labor cost of \$156.30 per hour. OPM estimates that, in the first year following publication of this final rule, implementation will require an average of 100 hours per agency, resulting in estimated first-year costs of approximately \$15,630 per agency and approximately \$1,250,400 Governmentwide.

Comment 0009 stated that this estimate likely understates the resources agencies will need, particularly because agencies are implementing this rule during the same period as the Strategic Hiring Committee and Annual Staffing Plan requirements of Executive Order 14356 and the Merit Hiring Plan, and recommended a phased implementation with a transition year and dedicated training resources. OPM has considered that comment and retains its estimate as a reasonable central estimate while acknowledging uncertainty in both directions. Even if first-year

implementation burden were triple OPM's estimate—300 hours per agency—first-year costs of approximately \$46,890 per agency and \$3.8 million Governmentwide would remain modest and far below the threshold for a regulatory impact analysis.

OPM has also estimated ongoing costs. Preparing the Annual Staffing Plan, participating in the Annual Staffing Review, and conducting Quarterly Staffing Plan Performance Reviews are estimated to require approximately 120 hours per agency per year, or approximately \$18,756 per agency and \$1,500,480 Governmentwide under the same labor-cost assumptions. Those activities replace, rather than supplement, the Human Capital Operating Plan, Human Capital Review, and HRStat processes they consolidate, which OPM estimates required at least as many staff hours annually; the net ongoing effect is accordingly expected to be a modest reduction in administrative cost. Agencies will also assume responsibility for administering their own annual employee surveys. Those costs will vary with the administration approach each agency selects, are mitigated by OPM-provided guidance, templates, and the Employee Survey Playbook, and are offset by the discontinuation of agency-side coordination of the Governmentwide FEVS and of the centralized administration costs OPM previously incurred.

OPM does not anticipate that the final rule will impose significant new costs on agencies. The primary regulatory burden—Quarterly Staffing Plan Performance Reviews—builds on existing quarterly performance review obligations under the GPRA Modernization Act and is expected to reduce duplicative reporting.

D. Benefits

The final rule is expected to improve the efficiency and effectiveness of Federal human capital management by: (1) consolidating and streamlining planning and review requirements and synchronizing them with OMB Circular A-11 budget and performance planning timelines, freeing CHCO offices for substantive workforce management and eliminating duplication across planning, budgeting, and performance management activities; (2) strengthening CHCO institutional authority and accountability with a verifiable compliance mechanism; (3) better positioning agencies through a decentralized survey process to design and administer surveys because they understand their own missions,

structures, workforces, and management challenges, while a common set of required questions preserves the ability to track Governmentwide trends; and (4) aligning Federal human capital planning with Executive branch priorities while preserving the statutory obligations and merit system protections that govern Federal hiring.

These benefits are difficult to quantify with precision, but their potential scale is large relative to the rule's costs: Federal civilian personnel costs exceed \$300 billion annually, so even fractional improvements in time-to-hire, hiring quality, or retention of high performers in mission-critical occupations would yield benefits many times the implementation costs estimated above. The rule's expected recruitment and morale effects, and OPM's response to comments predicting harm in those areas, are discussed in the Workforce Recruitment, Retention, and Morale section of this preamble.

E. Regulatory Alternatives

An alternative to this rulemaking is to retain the current HCOP, HCR, and HRStat framework without consolidation. OPM considered this alternative but determined that the existing framework creates duplicative reporting that diverts CHCO office resources from substantive work. Retaining the current framework would also leave workforce planning unsynchronized with the strategic planning and budget formulation cycle under OMB Circular A-11 and with the Annual Staffing Plan process established by Executive Order 14356, forcing agencies to maintain two parallel planning vocabularies and documentation streams for the same activity. Nor has the status quo produced results: strategic human capital management has remained on GAO's High-Risk List for a quarter century under the existing regulatory architecture. OPM also considered a narrower variation—retaining the Human Capital Operating Plan while adjusting its timing and content requirements—and rejected it for the same reasons: incremental adjustment would preserve the duplication that is the central defect of the current framework.

Another alternative is to continue a centralized survey administration. OPM considered this alternative but determined that a decentralized administration positions agencies better by giving them the flexibility and customizability of administering their own surveys while incorporating the items OPM issues in regulation to ensure comparability across agencies. In

evaluating this alternative, OPM also considered the variant urged by several commenters: retaining centralized administration while shortening the instrument and expanding agency-specific supplements. That approach would preserve the cost of central administration and a single Governmentwide field period while still denying agencies control over timing, methodology, and level of reporting detail—the limitations that led the National Aeronautics and Space Administration, the Department of Veterans Affairs, and the Securities and Exchange Commission to leave the FEVS even before 2025. The final rule instead secures comparability through the common prescribed items and the centralized submission of complete results to OPM and OMB under § 250.303(c), while leaving administration with the agencies where the results must be acted upon.

Finally, OPM considered delaying the effective date or phasing the new framework in over multiple years, as comment 0009 recommended. However, OPM determined that a delayed effective date would postpone the benefits of consolidation without materially reducing transition costs, because agencies are already required to prepare Annual Staffing Plans under Executive Order 14356 regardless of when this rule takes effect.

F. Severability

If any provision of this rule is held to be invalid or unenforceable by its terms, or as applied to any person or circumstance, it shall be severable from its respective section or sections and shall not affect the remainder thereof or the application of the provision to other persons not similarly situated or to other dissimilar circumstances.

Regulatory Compliance

A. Regulatory Flexibility Act

The Director of OPM certifies that this rulemaking will not have a significant economic impact on a substantial number of small entities because it applies only to Federal agencies and employees.

B. Regulatory Review

OPM has examined the impact of this rule as required by Executive Orders 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 with effects of \$100 million or more in any one year. This rulemaking does not reach that threshold but has otherwise been designated as a “significant regulatory action” under section 3(f) of Executive Order 12866. This rule is not considered an Executive Order 14192 regulatory action because it imposes no more than de minimis costs.

C. Federalism

This regulation will not have substantial direct effects on the States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of Government. Therefore, in accordance with Executive Order 13132, OPM has determined that this rulemaking does not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement.

D. Civil Justice Reform

This regulation meets the applicable standards set forth in section 3(a) and (b)(2) of Executive Order 12988.

E. Unfunded Mandates Reform Act of 1995

Section 202 of the Unfunded Mandates Reform Act of 1995 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, of \$100 million in 1995 dollars in any one year, updated annually for inflation. That threshold is currently approximately \$206 million. This rule applies only to Federal agencies and employees and therefore does not impose spending costs on State, local, or Tribal governments or the private sector.

F. Congressional Review Act

The Office of Management and Budget's Office of Information and Regulatory Affairs has determined this rule does not meet the criteria listed in 5 U.S.C. 804(2). In addition, this is a rule relating to agency management or personnel and does not come within the meaning of the term “rule” as used in 5 U.S.C. 804(3)(C). Therefore, the reporting requirement of 5 U.S.C. 801 does not apply.

G. Paperwork Reduction Act

This rule contains a collection of information subject to the Paperwork Reduction Act of 1995, 44 U.S.C. chapter 35. Section 250.302(a)(2) prescribes 10 Governmentwide

questions for annual employee surveys, and § 250.303(c) requires agencies to submit survey results to OPM and OMB. Under 5 CFR 1320.3(c)(3), a collection of information includes questions posed to employees of the United States where the results are to be used for general statistical purposes. OPM published a 60-day Paperwork Reduction Act notice (91 FR 40599, July 2, 2026) requesting comment on a new common form agencies may use for this collection titled *Annual Employee Survey*. OPM subsequently published a 30-day notice (91 FR 58921, September 17, 2026) concurrent with OMB review. OMB reviewed and approved the information collection and has assigned OMB control number 3206–0284. Additional information regarding this collection of information—including all background materials—can be found at: <https://www.reginfo.gov/public/do/PRAMain> by using the search function to enter the title of the collection or the OMB control number. The certification requirement added to § 250.206 is an internal agency management function and does not constitute information collection subject to the Paperwork Reduction Act.

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.

Accordingly, for the reasons stated in the preamble, OPM amends 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, 2001 Comp., p. 748; E.O. 14356, 90 FR 48387. 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); 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—[Amended]**■ 3. Amend subpart B by removing the authority citation.****■ 4. Revise § 250.201 to read as follows:****§ 250.201 Coverage and purpose.**

Pursuant to 5 U.S.C 1103(c), this subpart defines a set of systems, including standards and metrics, for assessing the management of human capital by Federal agencies. These regulations apply to agencies covered by 5 U.S.C. 306(f) and support the performance planning and reporting that is required by 31 U.S.C. 1115(a)(3) and (f) and 1116(d)(5).

■ 5. 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)”;
- 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 operational workforce planning document which includes metrics for evaluating current and future workforce

staffing needs, the effectiveness of staffing actions, and specific plans and goals for improvements across each of the four Human Capital Framework systems and standards, in alignment with the Agency Strategic Plan, Annual Performance Plan, budget formulation process, and the President’s Management Agenda.

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]**■ 6. 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.

■ 7. 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”.
- e. Adding paragraphs (e) and (f).

The additions 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, the chief of staff to the agency head, and the agency’s Chief Human Capital Officer.

■ 8. Revise § 250.205 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.

(1) The Annual Staffing Plan must be developed on a timeline consistent with the agency’s strategic planning and budget formulation cycle under the Office of Management and Budget Circular A–11, Part 6.

(2) The Chief Human Capital Officer must coordinate the Annual Staffing Plan with their agency’s Chief Financial Officer, Chief Operating Officer, and senior leadership.

(b) Each agency’s Annual Staffing Plan must:

(1) Include metrics, frameworks, and criteria for evaluating the agency’s current and future workforce and staffing needs;

(2) 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; and

(3) 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.

■ 9. Revise § 250.206 to read as follows:

§ 250.206 Annual Staffing Reviews.

(a) 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.

(b) As part of each Annual Staffing Review, each agency must submit a written statement to OPM signed by the agency head certifying that the agency's Chief Human Capital Officer has the visibility, oversight, and control required under § 250.204(e). If the certification identifies any gap in the Chief Human Capital Officer's visibility, oversight, or control, the agency must document the gap and include a timeline for remediation.

■ 10. Revise § 250.207 to read as follows:

§ 250.207 Quarterly Staffing Plan Performance Reviews.

The Chief Human Capital Officer must coordinate Quarterly Staffing Plan 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). Agencies may integrate the Quarterly Staffing Plan Performance Reviews into their existing quarterly performance review processes where practicable.

Subpart C—[Amended]

■ 11. Amend subpart C by removing the authority citation.

■ 12. 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.

■ 13. 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.

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DEPARTMENT OF AGRICULTURE

Rural Housing Service

7 CFR Part 3555

[Docket No. RHS–26–SFH–0100]

Single Family Housing Guaranteed Loan Program—Income Producing Accessory Dwelling Unit (ADU) Provisions

AGENCY: Rural Housing Service, USDA.

ACTION: Final rule.

SUMMARY: The Rural Housing Service (RHS or the Agency), a Rural Development (RD) agency of the United States Department of Agriculture (USDA), is amending the Single Family Housing Guaranteed Loan Program (SFHGLP) regulation to permit the financing of single family homes with income producing Accessory Dwelling Units (ADUs) and clarify the eligibility of properties with features designed to accommodate home-based operations using non-commercial real estate features.

DATES: This final rule is effective December 28, 2026.

FOR FURTHER INFORMATION CONTACT: Stephanie Freeman, Finance & Loan Analyst, Single Family Housing Guaranteed Loan Division, Rural Development, U.S. Department of Agriculture, STOP 0784, Room 2250, South Agriculture Building, 1400 Independence Avenue SW, Washington, DC 20250–0784. Telephone: (314) 457–6413; or email: stephanie.freeman@usda.gov.

SUPPLEMENTARY INFORMATION:

Abbreviations

ADU Accessory Dwelling Unit
CFR Code of Federal Regulations
FNMA Fannie Mae
FHA Federal Housing Administration
FR Federal Register
FHLMC Freddie Mac
HUD Department of Housing and Urban Development
RHS Rural Housing Service
RD Rural Development
§ Section
SEQ. Sequentes
SFHGLP Single Family Housing Guaranteed Loan Program
UMRA Unfunded Mandates Reform Act of 1995
U.S.C. United States Code
USDA U.S. Department of Agriculture
VA The Department of Veterans Affairs

Statutory Authority

The SFHGLP is authorized by Section 502(h) of the Housing Act of 1949 (42 U.S.C. 1472(h)), as amended, and implemented by 7 CFR part 3555.