



## OFFICE OF PERSONNEL MANAGEMENT

### 5 CFR Part 532

[Docket ID: OPM-2024-0006]

RIN 3206-AO68

### Prevailing Rate Systems; Abolishment of Frederick, Maryland, as a Nonappropriated Fund Federal Wage System Wage Area

**AGENCY:** Office of Personnel Management.

**ACTION:** Proposed rule.

**SUMMARY:** The Office of Personnel Management (OPM) is proposing a rule to abolish the Frederick, Maryland, nonappropriated fund (NAF) Federal Wage System (FWS) wage area and define Frederick County, MD, to the Anne Arundel, MD, NAF FWS wage area, and Berkeley County, West Virginia, to the Washington, DC, NAF FWS wage area. These changes are necessary because NAF FWS employment in the survey area is now below the minimum criterion of 26 wage employees to maintain a wage area, and the local activities no longer have the capability to conduct local wage surveys.

**DATES:** Send comments on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**ADDRESSES:** You may submit comments, identified by docket number and/or Regulation Identifier Number (RIN) and title, by the following method:

- Federal Rulemaking Portal: <https://www.regulations.gov>. Follow the instructions for submitting comments.

All comments received must include the agency name and docket number or RIN for this document. 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.

**FOR FURTHER INFORMATION CONTACT:** Ana Paunoiu, by telephone at (202) 606-2858 or by email at [pay-leave-policy@opm.gov](mailto:pay-leave-policy@opm.gov).

**SUPPLEMENTARY INFORMATION:** Under 5 CFR 532.219, OPM may establish an NAF wage area when there are a minimum of 26 NAF wage employees in the survey area, a local activity has the capability to host annual local wage surveys, and the survey area has at least 1,800 private enterprise employees in establishments within survey specifications. The Frederick, Maryland, NAF FWS wage area is presently composed of one survey county, Frederick County, MD, and one area of application county: Berkeley County, WV. The Department of Defense (DOD) notified OPM that there has been a continuing decline of NAF FWS employment in the survey area and the local activities no longer have the capability to conduct local wage surveys. Currently, 15 DOD NAF FWS employees work in Frederick County.

Since Berkeley County, WV, will have continuing NAF employment and does not meet the regulatory criteria under 5 CFR 532.219 to be a separate survey area, it must be defined as an area of application to another wage area. Section 532.219 lists the regulatory criteria OPM considers when defining FWS wage area boundaries. This regulation allows consideration of the following criteria: proximity of largest activity in each county, transportation facilities and commuting patterns, and similarities of the counties in overall population, private employment in major industry categories, and kinds and sizes of private industrial establishments.

In selecting a wage area to which Frederick County, MD, should be redefined, proximity favors the Anne Arundel, MD, NAF wage area. All other criteria are inconclusive. Based on these findings, OPM is defining Frederick County as an area of application to the Anne Arundel NAF wage area.

In selecting a wage area to which Berkeley County, WV, should be redefined, proximity

favors the Washington, DC, NAF wage area. All other criteria are indeterminate. Based on these findings, OPM is defining Berkeley County as an area of application to the Washington, DC, NAF wage area.

The Anne Arundel wage area would consist of one survey county (Anne Arundel County, MD), one area of application city (Baltimore City, MD), and 2 area of application counties (Baltimore and Frederick Counties, MD).

The Washington, DC, wage area would consist of one survey county (Washington, DC) and one area of application county (Berkeley County, WV).

The Federal Prevailing Rate Advisory Committee, the national labor-management committee responsible for advising OPM on matters concerning the pay of FWS employees, recommended these changes by consensus. These changes would be effective on the first day of the first applicable pay period beginning on or after 30 days following publication of the final regulations.

### **Expected Impact of this Rule**

Section 5343 of title 5, U.S. Code, provides OPM with the authority and responsibility to define the boundaries of NAF FWS wage areas. Any changes in wage area definitions can have the long-term effect of increasing pay for Federal employees in affected locations. OPM expects this rulemaking to impact approximately 20 NAF FWS employees. Considering the small number of employees affected, OPM does not anticipate that this proposed rule will substantially impact local economies or have a large impact in local labor markets. However, OPM is requesting comment in this rulemaking regarding the impact. As this and future wage area changes may impact higher volumes of employees in geographical areas and could rise to the level of impacting local labor markets, OPM will continue to study the implications of such impacts in this or future rules as needed.

### **Regulatory Review**

OPM has examined the impact of this rulemaking as required by Executive Orders

12866, 13563, and 14094, 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). OMB has determined that this rulemaking is not a “significant regulatory action” under section 3(f) of Executive Order 12866, as amended by Executive Order 14094.

### **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.

### **Federalism**

OPM has examined this rulemaking in accordance with Executive Order 13132, Federalism, and has determined that this rule will not have any negative impact on the rights, roles and responsibilities of State, local, or tribal governments.

### **Civil Justice Reform**

This rulemaking meets the applicable standard set forth in Executive Order 12988.

### **Unfunded Mandates Act of 1995**

This rulemaking will not result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any year and it will not significantly or uniquely affect small governments. Therefore, no actions were deemed necessary under the provisions of the Unfunded Mandates Reform Act of 1995.

### **Paperwork Reduction Act**

This rulemaking does not impose any reporting or record-keeping requirements subject to the Paperwork Reduction Act.

### **List of Subjects in 5 CFR Part 532**

Administrative practice and procedure, Freedom of information, Government employees, Reporting and recordkeeping requirements, Wages.

Office of Personnel Management.

**Kayyonne Marston,**

*Federal Register Liaison.*

Accordingly, OPM is proposing to amend 5 CFR part 532 as follows:

**PART 532--PREVAILING RATE SYSTEMS**

1. The authority citation for part 532 continues to read as follows:

**Authority:** 5 U.S.C. 5343, 5346; § 532.707 also issued under 5 U.S.C. 552.

2. In appendix D to subpart B, amend the table by revising the wage area listing for the District of Columbia and the State of Maryland to read as follows:

**Appendix D to Subpart B of Part 532—Nonappropriated Fund Wage and Survey Areas**

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**Definitions of Wage Areas and Wage Area Survey Areas**

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DISTRICT OF COLUMBIA
WASHINGTON, DC
<i>Survey Area</i>
District of Columbia:
Washington, DC
<i>Area of Application. Survey area plus:</i>
West Virginia:
Berkeley

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MARYLAND
ANNE ARUNDEL
<i>Survey Area</i>
Maryland:
Anne Arundel
<i>Area of Application. Survey area plus:</i>
Maryland (city):
Baltimore

Maryland (counties):
Baltimore
Frederick
CHARLES-ST. MARY'S
<i>Survey Area</i>
Maryland:
Charles
St. Mary's
<i>Area of Application. Survey area plus:</i>
Maryland:
Calvert
Virginia:
King George
HARFORD
<i>Survey Area</i>
Maryland:
Harford
<i>Area of Application. Survey area plus:</i>
Maryland:
Cecil
MONTGOMERY-PRINCE GEORGE'S
<i>Survey Area</i>
Maryland:
Montgomery
Prince George's
<i>Area of Application. Survey area.</i>

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