



OFFICE OF PERSONNEL MANAGEMENT

5 CFR Part 900

RIN: 3206-ZA03

Certifying the Use of a Merit Personnel System as Required by the Intergovernmental Personnel Act of 1970

AGENCY: Office of Personnel Management.

ACTION: Guidance.

SUMMARY: The Office of Personnel Management (OPM) is revising guidance issued on June 10, 2024, regarding the available range of staffing options for federally funded and state-administered low-income programs that are required to comply with the Intergovernmental Personnel Act of 1970 (IPA) and its implementing regulations.

DATES: [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]

FOR FURTHER INFORMATION CONTACT: For questions, please contact Latonia Page, Deputy Associate Director, Workforce Policy and Innovation, Talent Acquisition, Classification, and Veterans Programs at employ@opm.gov or 202-936-3459.

SUPPLEMENTARY INFORMATION: Pursuant to 5 CFR 900.604(b)(3), OPM is tasked with responding to requests for guidance regarding compliance with the Intergovernmental Personnel Act of 1970 (IPA) and its implementing regulations. When a federally funded program requires state and local agencies to establish a merit personnel system to receive funds, the IPA and the regulations in 5 CFR part 900, subpart F, are applicable. These regulations establish the standards that must be included in a merit personnel system when it is certified by a state or local agency. OPM's current guidance issued at 89 FR 48821 (June 10, 2024) states that "state and local government agencies that receive Federal grants [are] limited to utilizing state and local government personnel in the administration of the grant-aided program." The current guidance

reversed prior OPM guidance that authorized greater flexibility in staffing arrangements for these programs. *See* at 84 FR 16381 (April 19, 2019).

On January 31, 2025, President Trump issued Executive Order 14192 entitled “Unleashing Prosperity Through Deregulation” (*Unleashing Prosperity*). 90 Fed. Reg. 9065 (Feb. 6, 2025). That order made it the policy of the executive branch to “alleviate unnecessary regulatory burdens placed on the American people.”

OPM has reviewed its 2024 guidance and is updating it in light of the *Unleashing Prosperity* executive order. The 2024 guidance imposed extra-statutory obligations on state and local governments that administer federally funded programs covered by the IPA. The IPA and its implementing regulations do not prescribe the use of a particular staffing method such as utilizing state employees or contract employees. Accordingly, in the absence of any other statutory or regulatory requirement to use a specific staffing method, OPM advises that the state or local agency has the discretion to determine the most appropriate staffing method to best and most efficiently carry out its services for the American people. Regardless of the staffing method chosen, the state or local agency must certify that it is using a merit personnel system that meets the standards outlined in 5 CFR 900.603. Because these extra-statutory obligations will no longer be imposed on affected state and local governments, this action is considered an Executive Order 14192 deregulatory action.

U.S. Office of Personnel Management.

Jerson Matias,

Federal Register Liaison.

[FR Doc. 2025-03799 Filed: 3/10/2025 8:45 am; Publication Date: 3/11/2025]