



## OFFICE OF PERSONNEL MANAGEMENT

### 5 CFR Part 532

[Docket ID: OPM-2025-0010]

RIN 3206-AO83

### Prevailing Rate Systems; Abolishment of Hennepin, Minnesota, 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 Hennepin, Minnesota, nonappropriated fund (NAF) Federal Wage System (FWS) wage area and define most of its counties to the nearest NAF FWS wage areas. Those counties without NAF FWS employment would no longer be defined to a NAF wage area. These changes are necessary because NAF FWS employment in the survey area has been declining, 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 Regulatory Information 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. As required by 5 U.S.C.

553(b)(4), a summary of this rule may be found in the docket for this rulemaking at [www.regulations.gov](http://www.regulations.gov).

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

**SUPPLEMENTARY INFORMATION:**

Under 5 CFR 532.219, OPM may establish a 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 Hennepin, NAF FWS wage area is presently composed of one survey county, Hennepin County, Minnesota, and eight area of application counties: Morrison, Murray, Ramsey, Stearns, and St. Louis Counties, MN; and Juneau, Monroe, and Polk Counties, Wisconsin. 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 in Minneapolis. Currently, 18 NAF FWS employees work at the Minneapolis-St. Paul Air Reserve Station and 17 NAF FWS employees at the Minneapolis VA Medical Center. In addition, in the Hennepin NAF wage area, there are 63 FWS employees who work outside the survey area: 6 in Morrison County, MN; 6 in Stearns County, MN; and 51 in Monroe County, WI.

While Monroe County, WI, will have continuing NAF employment and meets the regulatory criteria under 5 CFR 532.219 to be a separate survey area, the lead agency does not consider it a robust option to be a separate NAF wage area due to the rural nature of the area around Ft. McCoy. As such, Monroe County 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 Hennepin County, MN, should be redefined, proximity favors the Grand Forks, North Dakota, NAF wage area. All other criteria are indeterminate. Based on these findings, OPM is defining Hennepin County as an area of application to the Grand Forks NAF wage area.

In selecting a wage area to which Morrison County, MN, should be redefined, proximity favors the Grand Forks, ND, NAF wage area. All other criteria are indeterminate. Based on these findings, OPM is defining Morrison County as an area of application to the Grand Forks NAF wage area.

In selecting a wage area to which Stearns County, MN, should be redefined, proximity favors the Grand Forks, ND, NAF wage area. All other criteria are indeterminate. Based on these findings, OPM is defining Stearns County as an area of application to the Grand Forks NAF wage area.

In selecting a wage area to which Monroe County, WI, should be redefined, proximity favors the Lake, Illinois, NAF wage area. All other criteria are indeterminate. Based on these findings, OPM is defining Monroe County as an area of application to the Lake NAF wage area.

OPM is removing Murray, Ramsey and St. Louis Counties, MN; and Juneau and Polk Counties, WI, from the wage area definition. There are no longer NAF FWS employees working in these counties. Under 5 U.S.C. 5343(a)(1)(B)(i), NAF wage areas “shall not extend beyond the immediate locality in which the particular prevailing rate employees are employed.” Therefore, Murray, Ramsey and St. Louis Counties, MN; and Juneau and Polk Counties, WI, cannot be defined as part of a NAF wage area.

The Grand Forks, ND, wage area would consist of one survey county (Grand Forks County, ND), and 7 area of application counties (Hennepin, Morrison, and Stearns Counties, MN; and Cass, Cavalier, Pembina, and Steele Counties, ND).

The Lake, IL, wage area would consist of one survey county (Lake, IL) and 11 area of application counties (Cook, Rock Island, and Vermilion Counties, IL; St. Joseph County, Indiana; Johnson County, Iowa; Dickinson and Marquette Counties, Michigan; and Brown, Dane, Milwaukee, and Monroe Counties, WI).

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 rule.

### **Miscellaneous Revisions**

In addition, this proposed rule would make the following revisions to the “Appendix B to Subpart B of Part 532 -Nationwide Schedule of Nonappropriated Fund Regular Wage Surveys:”

Remove “Allegheny” under the State of Pennsylvania. On November 15, 2023, OPM published a final rule (88 FR 78223) abolishing the Allegheny, PA, NAF FWS wage area. The final rule inadvertently omitted deleting this entry from Appendix B.

Revise the name of the “Arapahoe-Denver, Colorado,” NAF FWS wage area to read “Arapahoe.” On August 21, 2024, OPM published a final rule (89 FR 67519) removing Denver County from the Arapahoe-Denver, CO, NAF FWS wage area and changing the name of the Arapahoe-Denver NAF FWS wage area to Arapahoe. The final rule inadvertently omitted revising the name in Appendix B.

Remove “Frederick” under the State of Maryland. On August 22, 2024, OPM published a final rule (89 FR 67829) abolishing the Frederick, MD, NAF FWS wage area. The final rule inadvertently omitted deleting this entry from Appendix B.

Remove “Calhoun” under the State of Alabama. On November 26, 2024, OPM published a final rule (89 FR 93147) abolishing the Calhoun, AL, NAF FWS wage area. The final rule inadvertently omitted deleting this entry from Appendix B.

## **Expected Impact of this Rulemaking**

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 98 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 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). This rulemaking is not a “significant regulatory action” under Executive Order 12866. The rule is not an E.O. 14192 regulatory action because it is not significant under EO 12866.

## **Regulatory Flexibility Act**

The Acting 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 in 1995 dollars, updated annually for inflation. That threshold is currently approximately \$206 million. This rulemaking 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

**Jerson Matias,**

*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. Sec. 532.707 also issued under 5 U.S.C. 552.

2. In Appendix B to subpart B, amend the table by:

a. Revising the wage survey listings for Alabama, Colorado, and Maryland;

b. Removing the wage survey listings for Minnesota, and;

c. Revising the wage survey listings for Pennsylvania.

The revisions read as follows:

**Appendix B to Subpart B of Part 532—Nationwide Schedule of Nonappropriated Fund**

**Regular Wage Surveys**

\* \* \* \* \*

State	Wage area	Beginning month of survey	Calendar year of full-scale survey odd or even
Alabama	Madison	April	Even.
	Montgomery	April	Odd.
* *	* *	* *	*
Colorado	Arapahoe	July	Even.
	El Paso	July	Even.
* *	* *	* *	*
Maryland	Anne Arundel	August	Even.
	Charles-St. Mary's	August	Even.
	Harford	May	Even.
	Montgomery-Prince George's	August	Even.
* *	* *	* *	*
Pennsylvania	Cumberland	May	Even.
	York	May	Even.
* *	* *	* *	*

3. In Appendix D to subpart B, amend the table by revising the wage area listing for the States of Illinois and North Dakota to read as follows:

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

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

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ILLINOIS
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LAKE
<i>Survey Area</i>
Illinois:
Lake
<i>Area of Application. Survey area plus:</i>
Illinois:
Cook
Rock Island
Vermilion
Indiana:
St. Joseph
Iowa:
Johnson
Michigan:
Dickinson
Marquette
Wisconsin:
Brown
Dane
Milwaukee
Monroe
ST. CLAIR
<i>Survey Area</i>
Illinois:
St. Clair
<i>Area of Application. Survey area plus:</i>
Illinois:
Madison
Williamson
Indiana:
Vanderburgh
Missouri (City):
St. Louis
Missouri (County):
St. Louis

NORTH DAKOTA
GRAND FORKS
<i>Survey Area</i>
North Dakota:
Grand Forks
<i>Area of Application. Survey area plus:</i>
Minnesota:
Hennepin
Morrison
Stearns
North Dakota:
Cass
Cavalier
Pembina
Steele
WARD
<i>Survey Area</i>
North Dakota:
Ward
<i>Area of Application. Survey area plus:</i>
North Dakota:
Divide

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