forward proof of verification to OPM, as the PMF Program is being eliminated.

Office of Personnel Management.

Stephen Hickman,

Federal Register Liaison.

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OFFICE OF PERSONNEL MANAGEMENT

5 CFR Parts 213, 315, 362, and 537

RIN 3206–AO85

Sunset of the Pathways Presidential Management Fellows Program

AGENCY: Office of Personnel Management.

ACTION: Final rule.

SUMMARY: As directed by the Executive Order ''Commencing the Reduction of the Federal Bureaucracy'' issued February 19, 2025, the Office of Personnel Management (OPM) is rescinding the regulations on the Pathways Presidential Management Fellows Program and making conforming amendments.

DATES: This final rule is effective on August 11, 2025.

FOR FURTHER INFORMATION CONTACT: Katika Floyd by telephone at (202) 606–0960; or by email at *employ@opm.gov.*

SUPPLEMENTARY INFORMATION:

Background and Legal Authority

This final rule is issued in accordance with section 2(e) of Executive Order (E.O.) 14217, ''Commencing the Reduction of the Federal Bureaucracy'' (90 FR 10577, Feb. 25, 2025), which directed the Director of Office of Personnel Management (OPM) to initiate the process to withdraw the Pathways Presidential Management Fellows (PMF) Program (PMF Program or Program) regulations in subpart D of part 362, Code of Federal Regulations (CFR), and to take any other steps necessary to promptly terminate the PMF Program. This action is taken under the authority vested in the President by the Constitution and laws of the United States of America, including 5 U.S.C. 3301 and 3302.

The PMF program (formerly, Presidential Management Intern Program) was established by President Jimmy Carter in 1977 to attract to Federal service a limited number of individuals, with exceptional management potential, who received special academic training (advanced degrees) in planning and managing public programs and policies. E.O. 12008, 42 FR 43373. Since that time, the PMF Program had evolved to cover a variety of academic disciplines covering a multitude of Federal occupations and was no longer limited to a small number of participants. It is no longer necessary to have a separate employment program for those with advanced degrees when the same can be accomplished using the other available employment authorities and programs for interns, fellows, and college graduates. Just as the creation of the PMF Program was consistent with the President's authority under 5 U.S.C. 3301 and 3302, similarly the sunset of the PMF Program falls within the President's discretion. OPM will continue to assess the need for fellowship, internship, and leadership development programs and work within its existing authorities to attract top talent to the Federal government.

To date, OPM has taken steps to begin the sunset of the PMF Program:

- Notifying agency PMF coordinators on the actions to be taken as the PMF Program sunsets;
- Notifying Presidential Management Fellows (Fellows) of Executive Order requirements to terminate the PMF program and the sunset activities that were underway;
- Canceling the announcement of the 2025 PMF finalists; and
- Drafting transitional guidance to address current PMF employment matters.

This final rule removes the regulations governing the PMF Program in subpart D of part 362 and makes conforming changes in parts 213 and 315. Specifically, references to the PMF Program and/or subpart D are removed from §§ 213.3402, 315.201, 315.713, 362.101, 362.103, 362.104, 362.105, 362.107, 362.109, and 537.102 of title 5 of the Code of Federal Regulations. In addition, 5 CFR 362.110 is removed. OPM is also amending the authority citations for parts 213, 315, and 362 as appropriate to reflect the termination of the PMF Program and to conform to the requirements of 1 CFR part 21, subpart B.

In addition to the regulatory changes in this final rule, OPM notes that less than 650 employees remain employed under the PMF appointment authority. OPM is publishing a Variation to facilitate the transition of current Fellows out of the Program while promptly terminating the PMF Program. (See the Notification published elsewhere in this edition of the **Federal Register**.)

Impact of This Rulemaking

The elimination of the PMF Program in subpart D of part 362 from the CFR will eliminate a centralized recruitment and employment program for individuals with advanced degrees the President has determined is unnecessary. OPM anticipates that there will be negligible administrative costs associated with administering the sunset of the program, and OPM anticipates net savings to the Government based on the efficiencies created by agencies not having to contribute to the overhead costs for operating a centralized program and instead using other existing recruitment and hiring programs that can serve the same purpose for bringing talent into the Federal government.

Agencies contributed $2M to $2.5M annually to operate the centralized program. About 30 agencies participated each year, contributing a set fee per hire (most recently $8,000 per Fellow). These expenses covered OPM administrative costs such as running the recruitment, evaluation, and selection processes and providing training for Fellows. Agencies already have procedures and systems in place to conduct these activities; eliminating the duplication of effort represents cost savings. The expenses also covered ongoing support for agencies and Fellows and monitoring agency compliance with Program requirements, functions that are now eliminated. OPM estimates that sunsetting the Program will result in savings of roughly 80% of these costs to the Government, or $1.8M annually.

Agencies also expended resources for operation of the agency's PMF Program. Program regulations required agencies to provide a PMF Coordinator with required functions, agency-funded training (in addition to the OPM-provided training), detail opportunities, mentoring, and Executive Resource Board (ERB) review and certification. Some of the functions are eliminated with the sunsetting of the Program, and agencies already have systems in place to provide the remaining functions for their employees. Although OPM does not have data regarding these additional costs borne by agencies, we can estimate portions of these expenses.

For the purpose of this cost analysis, the assumed average salary rate of Federal employees serving as an agency's PMF Coordinator will be the rate in 2025 for GS–12, step 5, from the Washington, DC, locality pay table ($114,923 annual locality rate and $55.07 hourly locality rate). We assume that the total dollar value of labor, which includes wages, benefits, and overhead, is equal to 200 percent of the wage rate, resulting in an assumed labor cost of $110.14 per hour. We estimate that PMF Coordinators spent an average of 520 hours annually on work related to the PMF Program with an average hourly cost of $110.14. This work would result in estimated annual savings of about $52,273 per agency, and about $1.7 million Governmentwide.

With respect to the ERB, we assume an ERB at agencies participating in the PMF Program has an average of 5 members. Based on the average salary for the ES pay plan in September 2024 (most recent available data), we assume an average salary rate of $207,313, or $99.67 per hour.[1] We assume the total dollar value of labor, which includes wages, benefits, and overhead, is equal to 200 percent of the wage rate, resulting in an assumed labor cost of $199.34 per hour. We assume an ERB member will spend approximately 30 minutes to review and certify each Fellow. Based on an average of the last three years' participation, OPM estimates approximately 330 Fellows would have completed the Program each year, requiring ERB review and certification. Because the ERB will no longer need to review and certify PMF Fellows prior to conversion, OPM estimates annual savings of $165,000 Governmentwide.

Overall, OPM expects that elimination of the PMF program will result in Government savings of at least $3,665,000 annually. OPM notes that this savings value is conservative in that we have used the minimum grade for one PMF Coordinator per agency. Some agencies with large PMF Programs have more than one PMF Coordinator, and some Coordinators hold higher grades with higher rates of pay. In addition, although participation in the Program dropped due to COVID–19, participation has been steadily increasing. OPM also had anticipated that changes made to the Program in 2024 would encourage participation by more agencies. Thus, the number of participants requiring certification is likely lower than would have been realized had the Program continued. Finally, this value does not reflect costs incurred by agencies other than the PMF Program fees, costs associated with PMF Coordinators, and costs associated with ERB certification.

Regulatory Compliance

1. Administrative Procedure Act

Pursuant to 5 U.S.C. 553(b)(B), OPM finds that there is good cause to issue this final rule without prior notice and comment. In E.O. 14217, the President directed OPM to withdraw the regulations at part D of part 362 and to take other steps necessary to terminate the PMF Program promptly. The PMF Program regulations do not allow for the prompt termination of the program, particularly in view of the employees remaining in the Program; thus, this final rule implements the specific Presidential direction provided in the E.O. to remove the regulations governing the Program. OPM lacks any discretion in this rulemaking action. OPM's authority to issue regulations creating and governing the PMF Program was based entirely on the President's delegation to OPM of authority to prescribe rules governing the civil service and to prescribe exceptions to the competitive service. With the issuance of the E.O., the President has made clear his revocation of that delegation with respect to the PMF Program, and OPM now lacks authority to continue the PMF Program regulations in part 362. No amount of public input could give OPM the authority to reconstitute the PMF Program. Therefore, notice and public comment procedures are unnecessary.

Similarly, pursuant to 5 U.S.C. 553(d)(3), OPM finds that there is good cause to make this final rule effective immediately upon publication. This final rule codifies actions taken under direct Presidential authority. Removing the regulations immediately provides transparency and may reduce confusion as the PMF Program is no longer operational. Further, a delayed effective date serves no practical purpose here since no adjustment period is needed for any regulated party to come into or otherwise prepare for compliance. Finally, the variation (published as part of this notice) granted by OPM provides instructions to agencies regarding transitioning all remaining employees out of the Program as the regulatory provisions removed in this final rule do not permit the prompt dissolution of the program as directed by the President.

2. Regulatory Review

The Office of Information and Regulatory Affairs in the Office of Management and Budget has designated this as a significant regulatory action under E.O. 12866 section 3(f). Accordingly, OPM has examined the impact of this rule as required by E.O.s 12866 and 13563, which direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulations are necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health, and safety effects, distributive impacts, and equity). A regulatory impact analysis must be prepared for rules that have an annual effect on the economy of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities. This rulemaking does not reach that threshold. This action is considered an E.O. 14192 deregulatory action. We estimate that this rule generates $3.43 million in annualized cost savings at a 7% discount rate, discounted relative to year 2024, over a perpetual time horizon.

3. Regulatory Flexibility Act

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

4. Federalism

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

5. Unfunded Mandates Reform Act of 1995

Section 202 of the Unfunded Mandates Reform Act of 1995 (UMRA) requires that agencies assess anticipated costs and benefits before issuing any rule that would impose spending costs on State, local, or Tribal governments in the aggregate, or on the private sector, in any 1 year of $100 million in 1995 dollars, updated annually for inflation. That threshold is currently approximately $206 million. This rulemaking will not result in the expenditure by State, local, or Tribal governments, in the aggregate, or by the private sector, in excess of the threshold. Thus, no written assessment of unfunded mandates is required.

6. Paperwork Reduction Act

This rule does not affect any reporting or recordkeeping requirements under the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35).

List of Subjects

5 CFR Part 213

Government employees, Reporting and recordkeeping requirements.

[1] Average SES pay drawn from Office of Personnel Management FedScope data, available at *https://www.fedscope.opm.gov/.*

5 CFR Part 315

Government employees.

5 CFR Part 362

Administrative practice and procedure, Colleges and universities, Government employees.

5 CFR Part 537

Administrative practice and procedure, Government employees, Students, Wages.

Office of Personnel Management.

Stephen Hickman,

Federal Register Liaison.

For reasons stated in the preamble, the Office of Personnel Management amends 5 CFR parts 213, 315, 362, and 537 as follows:

PART 213—EXCEPTED SERVICE

■ 1. The authority citation for part 213 is revised to read as follows:

Authority: 5 U.S.C. 3161, 3301 and 3302; 38 U.S.C. 4301 *et seq.* E.O. 10577, 19 FR 7521, 3 CFR 1954–1958 Comp., p. 218.

Sec. 213.101 also issued under 5 U.S.C. 2103.

Sec. 213.3102 also issued under 5 U.S.C. 3307, 8337(h), 8456; 38 U.S.C. 4301 *et seq.* E.O. 12125, 44 FR 16879, 3 CFR, 1979 Comp., p. 16879; and E.O. 13124, 64 FR 31103, 3 CFR, 1999 Comp., p. 31103; E.O. 13562, 75 FR 82585, 3 CFR, 2010 Comp, p. 291; E.O. 14217, 90 FR 10577; and Presidential Memorandum—Improving the Federal Recruitment and Hiring Process, 75 FR 27157.

Sec. 213.3202 also issued under 5 U.S.C. 3304.

Subpart C—Excepted Schedules

§ 213.3402 [Amended]

■ 2. Amend § 213. 3402 by removing paragraph (c).

PART 315—CAREER AND CAREER–CONDITIONAL EMPLOYMENT

■ 3. The authority citation for part 315 is revised to read as follows:

Authority: 5 U.S.C. 1302, 3301, and 3302. E.O. 10577, 19 FR 7521, 3 CFR, 1954–1958 Comp., p. 218; E.O. 14284, 90 FR 17729. Secs. 315.601 and 315.609 also issued under 22 U.S.C. 3651 and 3652. Secs. 315.602 and 315.604 also issued under 5 U.S.C. 1104. Sec. 315.603 also issued under 5 U.S.C. 8151. Sec. 315.605 also issued under E.O. 12034, 43 FR 1917, 3 CFR, 1978 Comp., p. 111. Sec. 315.606 also issued under E.O. 11219, 30 FR 6381, 3 CFR, 1964–1965 Comp., p. 303. Sec. 315.607 also issued under 22 U.S.C. 2560. Sec. 315.608 also issued under E.O. 12721, 55 FR 31349, 3 CFR, 1990 Comp., p. 293. Sec. 315.610 also issued under 5 U.S.C. 3304(c). Sec. 315.611 also issued under 5 U.S.C. 3304(f). Sec. 315.612 also under E.O. 13473, 73 FR 56703, 3 CFR, 2009 Comp., p. 241. Sec. 315.613 also issued under 5 U.S.C. 9602. Sec. 315.710 also issued under E.O. 12596, 52 FR 17537, 3 CFR, 1987 Comp., p. 264.

Subpart B—The Career-Conditional Employment System

■ 4. Amend § 315.201 by revising paragraph (b)(1)(xv) to read as follows:

§ 315.201 Service requirement for career tenure.

* * * * *

(b) * * *

(1) * * *

(xv) The date of appointment as a Pathways Participant in the Presidential Management Fellows Program under § 213.3402(c) of this chapter as it appeared in the January 1, 2025, edition of 5 CFR parts 1–699 (Vol. 1), provided the employee's appointment is converted to a career or career-conditional appointment under § 315.713(a)(3), with or without an intervening term appointment, and without a break in service of one day;

* * * * *

Subpart G—Conversion to Career or Career-Conditional Employment From Other Types of Employment

§ 315.713 [Amended]

■ 5. Amend § 315.713 by removing paragraph (a)(3).

PART 362—PATHWAYS PROGRAMS

■ 6. The authority citation for part 362 is revised to read as follows:

Authority: E.O. 13562, 75 FR 82585, 3 CFR, 2010 Comp., p. 291, as amended by E.O. 14217, 90 FR 10577.

Subpart A—General Provisions

■ 7. Amend § 362.101 by revising paragraphs (a) and (b) to read as follows:

§ 362.101 Program administration.

(a) The Pathways Programs consist of the following Programs:

(1) The Internship Program; and

(2) The Recent Graduates Program.

(b) An agency may rename the Programs specified in paragraphs (a)(1) and (2) of this section, provided that the agency-specific name includes the Pathways Program name identified in paragraph (a) of this section, *e.g.,* Treasury Internship Program.

* * * * *

■ 8. Revise § 362.103 to read as follows:

§ 362.103 Authority.

An agency may make an appointment under this part to a position defined in § 213.3402 of this chapter if the agency first establishes a Pathways policy in accordance with § 362.104.

■ 9. Amend § 362.104 by:

■ a. Revising paragraphs (a)(4), (6), and (7);

■ b. Removing paragraph (a)(8); and

■ c. Redesignating paragraphs (a)(9) through (11) as paragraphs (a)(8) through (10).

The revisions read as follows:

§ 362.104 Agency requirements.

(a) * * *

* * * * *

(4) Prescribe criteria and procedures for agency-approved extensions for Recent Graduates, not to exceed 120 days. Extension criteria must be limited to circumstances that would render the agency's compliance with the regulations impracticable or impossible.

* * * * *

(6) Include a commitment from the agency to:

(i) Provide to OPM any information it requests on the agency's Pathways Programs;

(ii) Adhere to any caps on the Pathways Programs imposed by the Director;

(iii) Provide information to OPM about opportunities for individuals interested in participating in the Pathways Programs, upon request from OPM;

(iv) Provide a meaningful on-boarding process for each Pathways Program; and

(v) Provide OPM with the names of the agency's Pathways Programs Officer.

(7) Identify the agency's Pathways Programs Officer (PPO), who:

(i) Must be in a position at the agency's headquarters level, or at the headquarters level of a departmental component, in a position at or higher than grade 12 of the General Schedule (GS) (or the equivalent under the Federal Wage System (FWS) or another pay and classification system);

(ii) Is responsible for administering the agency's Pathways Programs, including coordinating the recruitment and on-boarding process for Pathways Programs Participants, and coordinating the agency's Pathways Programs plan with agency stakeholders and other hiring plans (*e.g.,* merit promotion plans);

(iii) Serves as a liaison with OPM by providing updates on the agency's implementation of its Pathways Programs, clarifying technical or programmatic issues, sharing agency best practices, and other similar duties; and

(iv) Reports to OPM on the agency's implementation of its Pathways Programs and individuals hired under these Programs, in conjunction with the agency's Pathways Policy.

* * * * *

§ 362.105 [Amended]

■ 10. Amend § 362.105(g) by removing the text ''and PMF''.

§ 362.107 [Amended]

■ 11. Amend § 362.107 removing paragraph (c)(3).

■ 12. Amend § 362.109 by revising paragraph (b) to read as follows:

§ 362.109 Reporting requirements.

* * * * *

(b) The percentage of overall hiring expected in the coming three fiscal years under the Internship and Recent Graduates Programs; and

* * * * *

§ 362.110 [Removed and Reserved]

■ 13. Remove and reserve § 362.110.

Subpart D—[Removed and Reserved]

■ 14. Remove and reserve subpart D.

PART 537—REPAYMENT OF STUDENT LOANS

■ 15. The authority citation for part 537 is revised to read as follows:

Authority: 5 U.S.C. 2301, 2302, and 5379(g). E.O. 11478, 3 CFR, 1966–1970 Comp., p. 803, unless otherwise noted; E.O. 13087, 63 FR 30097, 3 CFR, 1998 Comp., p. 191; and E.O. 13152, 65 FR 26115, 3 CFR, 2000 Comp., p. 264.

§ 537.102 [Amended]

■ 16. Amend § 537.102 in the definition of ''Time-limited appointment'' by removing paragraph (6) and redesignating paragraphs (7) and (8) as paragraphs (6) and (7).

[FR Doc. 2025–15238 Filed 8–8–25; 8:45 am]

BILLING CODE 6325–39–P

DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

7 CFR Part 460

[Docket ID FCIC–25–0002]

RIN 0563–AC88

Additional Payment II Program

AGENCY: Federal Crop Insurance Corporation, U.S. Department of Agriculture (USDA).

ACTION: Final rule.

SUMMARY: The Risk Management Agency (RMA), on behalf of the Federal Crop Insurance Corporation (FCIC), is issuing this rule to announce the availability of funding under the Additional Payment II Program (ADD PAY II). ADD PAY II is a one-time additional payment to Approved Insurance Providers (AIPs) administering eligible crop insurance contracts for 2022 and 2023 reinsurance year specialty crops. The total funding available for ADD PAY II is $30 million. Funding for ADD PAY II will be distributed to AIPs proportionally based on their respective liabilities for eligible crop insurance contracts for 2022 and 2023 reinsurance year specialty crops.

DATES: This rule is effective on August 11, 2025.

FOR FURTHER INFORMATION CONTACT: David Zanoni; telephone: (816) 926–6142; email: *david.zanoni@usda.gov.* Individuals with disabilities who require alternative means for communication should contact the USDA Target Center at (202) 720–2600 (voice and text telephone (TTY mode)) or dial 711 for Telecommunications Relay Service (both voice and text telephone users can initiate this call from any telephone).

SUPPLEMENTARY INFORMATION:

Background

FCIC serves America's agricultural producers through effective, market-based risk management tools to strengthen the economic stability of agricultural producers and rural communities. FCIC is committed to increasing the availability and effectiveness of Federal crop insurance as a risk management tool. AIPs sell and service Federal crop insurance policies in every state through a public-private partnership. FCIC reinsures the AIPs who share the risks associated with catastrophic losses due to major weather events. FCIC's vision is to secure the future of agriculture by providing world class risk management tools to rural America.

Title I of the Disaster Relief Supplemental Appropriations Act, 2025 (Division B of the American Relief Act, 2025, (Pub. L. 118–158)) provides funding for an additional payment to AIPs administering eligible crop insurance contracts for specialty crops for the 2022 and 2023 reinsurance years. To administer the funding as mandated by Congress, FCIC is establishing ADD PAY II, similar to the previous Additional Payment Program (ADD PAY). The total funding available for ADD PAY II is $30 million.

The original implementation of ADD PAY was through a Notice of Funding Availability published on May 2, 2023. Section 771 of the Consolidated Appropriations Act, 2023, (Pub. L. 117–328) provided funding for an additional payment to AIPs administering eligible crop insurance contracts for specialty crops for the 2021 reinsurance year. Funding for ADD PAY was distributed to AIPs proportionally based on their respective liabilities for eligible crop insurance contracts for 2021 reinsurance year specialty crops.

ADD PAY II

The Risk Management Agency (RMA), on behalf of FCIC, will administer ADD PAY II. ADD PAY II will distribute funding to AIPs proportionally based on their respective liabilities for eligible crop insurance contracts for 2022 and 2023 reinsurance year specialty crops. The total funding available for ADD PAY II is $30 million.

Currently, all payments to AIPs are governed by the Standard Reinsurance Agreement (SRA), which is a contract between an AIP and FCIC. The SRA outlines the terms under which FCIC provides reinsurance and subsidies for eligible crop insurance contracts sold by the AIP. The additional funding from ADD PAY II will be allocated based on terms available under the SRA.

Under ADD PAY II, AIPs who administered one or more eligible crop insurance contracts for specialty crops for the 2022 or 2023 reinsurance years will be eligible for a one-time additional payment. Each AIP will receive a payment that is equal to a rate of 17.5 percent of the net book premium, less any administrative and operating (A&O) subsidy [1] already paid to the AIP as outlined in the SRA, on those specialty crop contracts that were subject to the A&O cap.[2] Contracts that were not subject to the reduction will not receive a payment.

Payment Calculation

ADD PAY II will be administered based on records maintained by RMA that were used for the settlement of accounts between the AIP and RMA at the time of the October 2024 transaction cutoff date based on the 2022 and 2023 reinsurance year annual settlements. The payment will be final upon receipt by the AIP and will not be altered based on any subsequent updates to premium or liability of qualifying crop insurance contracts made after that date. For example, if an AIP modifies a 2023 reinsurance year policy to decrease the amount of premium and liability after the ADD PAY II payment has been

[1] ''A&O subsidy'' means the subsidy for the administrative and operating expenses (A&O) paid by FCIC on behalf of the policyholder to the AIP (also referred to as ''the Company'') for eligible crop insurance contracts.

[2] ''A&O cap'' refers to the common name of a reduction described in section III(a)(2)(G) of the SRA.