Message from the Administrator

September 15, 2021

I am pleased to present the following report, “Screening Workforce Pay Strategy—New-Hire Retention,” which was prepared by the Transportation Security Administration (TSA).

This report was compiled in response to the Joint Explanatory Statement accompanying the Fiscal Year (FY) 2021 Department of Homeland Security Appropriations Act (P.L. 116-260). It provides an overview of TSA’s pay strategy for its screening workforce and relates these efforts to new-hire retention.

This report is being provided to the following Members of Congress:

The Honorable Lucille Roybal-Allard  
Chairwoman, House Appropriations Subcommittee on Homeland Security

The Honorable Chuck Fleischmann  
Ranking Member, House Appropriations Subcommittee on Homeland Security

The Honorable Chris Murphy  
Chair, Senate Appropriations Subcommittee on Homeland Security

The Honorable Shelley Moore Capito  
Ranking Member, Senate Appropriations Subcommittee on Homeland Security

Inquiries relating to this report may be directed to me at (571) 227-2801 or to TSA’s Legislative Affairs office at (571) 227-2717.

Sincerely,

David P. Pekoske  
Administrator
Executive Summary

To ensure that TSA can maintain its highly skilled screener workforce, it is undertaking various workforce initiatives to attract, build, and inspire an effective frontline workforce. Although many of these efforts began in FY 2018, the FY 2021 appropriations provided critical funding to implement initiatives that will address screener pay and, over time, will improve new-hire retention as more resources are invested into TSA’s human capital.

TSA’s strategy provides a path for Transportation Security Officer (TSO) Career Progression that couples training milestones with compensation. With the FY 2021 appropriations, TSA continued to build its career progression initiative and to recognize its screening workforce through Model Officer Recognition and TSO Service Pay.

Doing so provides for transparent pay progression for the entire screening workforce and puts resources toward recognizing those employees who go above and beyond in the performance of their duties. These three initiatives work together to provide long-term commitments to investing in TSA’s people and to developing a more effective workforce.

This report is related to a series of reports to Congress that will track and highlight TSA pay initiatives to determine overall return on investment. As this strategy becomes whole, TSA is optimistic that it will increase screening workforce retention levels, resulting in a more skilled, motivated, and experienced workforce.
Screening Workforce Pay Strategy—New-Hire Retention

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I. Legislative Language

This report was compiled in response to the Joint Explanatory Statement accompanying the Fiscal Year (FY) 2021 Department of Homeland Security Appropriations Act (P.L. 116-260), which states:

Screening Workforce Pay Strategy—Not later than 180 days after the date of enactment of this Act, TSA shall provide a report to the Committees detailing the number of Transportation Security Officers (TSO) hired since fiscal year 2016 and their corresponding retention levels, delineated by fiscal year. As part of this report, TSA shall include a plan for continuous and sustained human capital investment to develop a more effective and efficient workforce.
II. Background

The Transportation Security Administration (TSA) recognizes that it needs to develop and sustain a highly skilled and effective screening workforce. To that end, TSA developed a strategy that enhances employees’ skills, improves morale, and sustains a more efficient frontline workforce.

Historically, TSA has experienced high levels of attrition with the screening workforce. Most separations from the screening workforce are voluntary, occur in the first 2 years of employment, and relate to three key themes: a lack of understanding of what the job entails, a lack of career progression opportunities, and discontent over pay. TSA’s strategy to address these issues includes three initiatives that are already underway: TSO Service Pay, TSO Career Progression, and Model Officer Recognition. Together, these initiatives will help to develop a highly capable and effective frontline workforce by aligning training with career progression, by providing for annual pay increases, and by recognizing high performers.

- **TSO Service Pay** provides predictable annual salary increases that acknowledge enhanced experience and skill mastery. TSOs in E, F, and G bands will receive annual service pay increases of 2 percent for those in the bottom third of the pay band, 1.5 percent for those in the middle third, and 1 percent for those in the top third.

- **TSO Career Progression** establishes a clearly defined career path with pay increases tied to enhanced skills and training. The phase of TSO Career Progression being implemented this year will provide a one-time, 5-percent pay increase for 4,500 eligible E-band TSOs who successfully complete certain advanced skills training and take on additional responsibilities.

- **Model Officer Recognition** identifies and rewards TSA’s top TSOs in all pay bands with monetary and nonmonetary awards and/or pay increases for their ongoing contributions to the mission.

These initiatives were designed strategically to build and sustain a more effective frontline workforce, while mitigating those factors contributing to high turnover and low morale. TSA’s continued focus on providing transparent career progression, on incentivizing enhanced training, and on improving overall compensation for TSOs is expected to improve new-hire retention greatly.
III. Current Status

TSA is implementing this strategy fully and expects that sustained investment in these initiatives will be needed to achieve and maintain results.

TSO Service Pay

In April 2021, TSA processed and paid the first round of increases associated with TSO Service Pay. This initiative was developed specifically in response to the workforce’s concerns that no reasonable path existed for pay progression through their pay bands. This is evidenced by the significant concentration of employees in the bottom third of the pay band. Figure 1 outlines salary ranges at each level of the pay scale. Much of this problem resulted from TSA’s historical decisions to recognize workforce performance with one-time bonuses rather than with pay increases. This strategy may have provided short-term benefits to the workforce and limited long-term fiscal liabilities for TSA. However, the long-term effects of this strategy contributed to high levels of attrition within the screening workforce.

Figure 1: Percentage of TSOs in Each Level

TSO Service Pay provides predictable annual salary increases that acknowledge enhanced experience and skill mastery. TSOs in the E, F, and G bands will receive annual service-pay increases of 2 percent for those in the bottom third of the pay band, 1.5 percent for those in the middle third of the pay band, and 1 percent for those in the top third of the pay band. Figure 2 outlines salary ranges at each level of the pay scale.

Figure 2: FY 2021 Base Salary Ranges

<table>
<thead>
<tr>
<th>Pay Band</th>
<th>Bottom Third of Pay Band (2% Annual Increase)</th>
<th>Middle Third of Pay Band (1.5% Annual Increase)</th>
<th>Top Third of Pay Band (1% Annual Increase)</th>
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<tbody>
<tr>
<td>E</td>
<td>$34,113 - $39,006</td>
<td>$39,007 - $43,899</td>
<td>$43,900 - $48,791</td>
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<tr>
<td>F</td>
<td>$37,283 - $43,517</td>
<td>$43,518 - $49,751</td>
<td>$49,752 - $55,985</td>
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<tr>
<td>G</td>
<td>$43,639 - $51,630</td>
<td>$51,631 - $59,621</td>
<td>$59,622 - $67,612</td>
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TSO Career Progression

The first phase of TSO Career Progression, implemented in 2018, provides a 5-percent salary increase for D-band TSOs after 6 months of service and completion of additional training, and then a promotion to E band after an additional year.

Instead of providing all initial training immediately to a new-hire TSO, TSA shifted to an initial round of training that allowed new hires to perform routine functions at the security checkpoint. Once they become familiar with the environment, they receive a second, more advanced round of new-hire training. Upon completion of this more advanced training and of associated on-the-job training requirements, TSOs are eligible for a pay raise. TSA new-hire retention rates have improved since implementation of the first phase of TSO Career Progression, which is discussed in section IV of this report.

The second phase of TSO Career Progression was implemented beginning in March 2021. It provides a one-time pay increase of 5 percent for a significant number of E-band TSOs. TSOs who are selected for this pay increase must complete certain advanced training courses successfully within 12 months of their selection date. This initiative allows TSA to target advanced training opportunities to members of the frontline workforce who have demonstrated skill mastery and the potential to benefit from more advanced training. See Figure 3 for the TSO Career Progression process.
Funding for “E3” Pay in FY21 Enacted Budget

Implemented FY18

Future State
Model Officer Recognition

TSA’s Model Officer Recognition program formally rewards top-performing TSOs every quarter for their ongoing contributions to the mission. The first round of monetary and nonmonetary awards was distributed in the spring of 2021. Model officer pay increases, which cover January 1–December 31, 2021, will occur in Calendar Year 2022.

These pay increases are highly competitive and are limited to no more than 5 percent of the TSOs within a hub/spoke. They are awarded on the basis of outstanding ability and performance in the following areas:

- Technical application,
- Availability,
- Core values,
- Teamwork, and
- Command presence.

TSA has implemented the Service Pay, Career Progression, and Model Officer Recognition initiatives in a strategic manner that best aligns with increased retention of new-hire TSOs. The objective of this strategy is to improve morale, to create confidence in TSA’s commitment to its people, and to align employee training and development with career and pay progression. TSA believes that these three initiatives will help to develop and build a highly motivated, skilled, and well-compensated workforce. Continued focus on training, on compensation, and on rewarding high performers will ensure that all employees have a realistic and predictable career path and that TSA is able to retain and sustain an effective workforce.
IV. Analysis

TSA recognizes that attrition of employees seeking upward career mobility is inevitable. However, it also realizes that retention levels for its screening workforce are much lower than warranted and could have a negative effect on mission objectives. TSA found that TSOs who do not separate in the first 18 to 24 months of employment often remain with TSA for a significant extended period, ensuring continuity of operations, a highly skilled workforce, and more engaged employees.

The TSA screening workforce has experienced slightly higher retention in the past year. However, TSA attributes this, in part, to the Coronavirus Disease 2019 (COVID-19) pandemic and its effect on the economy and on the labor market. The pay strategies described in this report are designed to maintain and build on that upward trend, noting that it may take time to sustain improved retention of new-hire TSOs. Additionally, it will take a few years to have enough data to analyze the full impact of these strategies on new-hire retention. See Figure 4 for new-hire retention rates and counts for FY 2016–2021.

Figure 4: New-Hire Retention Rates and Counts

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<tr>
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<tbody>
<tr>
<td>2016</td>
<td>9,787</td>
<td>70.18%</td>
<td>56.30%</td>
<td>49.04%</td>
<td>43.48%</td>
<td>40.84%</td>
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<td>2017</td>
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<tr>
<td>2018</td>
<td>10,787</td>
<td>70.06%</td>
<td>71.43%</td>
<td>62.68%</td>
<td></td>
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<tr>
<td>2019</td>
<td>11,001</td>
<td>71.43%</td>
<td>62.68%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>4,157</td>
<td>95.95%</td>
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<tr>
<td>2021</td>
<td>1,236</td>
<td>95.95%</td>
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</thead>
<tbody>
<tr>
<td>2016</td>
<td>9,787</td>
<td>6,869</td>
<td>5,510</td>
<td>4,800</td>
<td>4,255</td>
<td>3,997</td>
</tr>
<tr>
<td>2017</td>
<td>9,093</td>
<td>6,239</td>
<td>4,988</td>
<td>4,443</td>
<td>4,099</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>10,787</td>
<td>7,557</td>
<td>6,326</td>
<td>5,873</td>
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<td></td>
</tr>
<tr>
<td>2019</td>
<td>11,001</td>
<td>7,858</td>
<td>6,895</td>
<td></td>
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</tr>
<tr>
<td>2020</td>
<td>4,157</td>
<td>3,106</td>
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<tr>
<td>2021</td>
<td>1,236</td>
<td>1,186</td>
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</table>

TSO new-hire retention has improved continuously since 2018, when the first phase of TSO Career Progression was implemented. As a result, TSOs were removed from a “high-risk occupations list” produced by the Office of Personnel Management and the U.S. Government Accountability Office in December 2020.
With the inclusion of the Service Pay and Model Officer Recognition initiatives, and by linking skill and training to career progression and increased compensation, TSA is confident that retention will continue to improve. However, as previously noted, the impact of this strategy may not be realized until TSA has recovered fully from the COVID-19 pandemic and until the labor market returns to some sense of normalcy.
V. Conclusion

TSA believes that continued application of its screening workforce pay and new-hire retention strategy will ensure a well-trained, skilled, committed, and motivated workforce, which ultimately will increase new-hire retention and will solidify a positive return on investment. Improving new-hire retention is the first step to improving overall retention and to building a frontline workforce that is dedicated to protecting the flying public and that is adaptable to all potential threats.

To monitor the impact of this strategy, TSA will provide updated new-hire retention rates in quarterly reports as required by the Joint Explanatory Statement.

TSA’s strategy links three initiatives for a comprehensive approach to addressing TSA’s workforce pay and new-hire retention challenges:

- TSO Career Progression provides training and skill enhancement.
- TSO Service Pay provides pay progression.
- Model Officer Recognition allows for meaningful recognition of the highest performers in the workforce.

This strategy requires sustained funding, which the Department is committed to incorporating within its future budgetary requests. As this strategy matures, TSA expects to build upon the already realized improvements to its screening workforce retention and to see improvements to workforce experience, skill, and satisfaction.
### Appendix: Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Definition</th>
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<tbody>
<tr>
<td>BTP</td>
<td>Basic Training Program</td>
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<tr>
<td>COVID-19</td>
<td>Coronavirus Disease 2019</td>
</tr>
<tr>
<td>FY</td>
<td>Fiscal Year</td>
</tr>
<tr>
<td>OJT</td>
<td>On-the-Job Training</td>
</tr>
<tr>
<td>TSA</td>
<td>Transportation Security Administration</td>
</tr>
<tr>
<td>TSM</td>
<td>Transportation Security Manager</td>
</tr>
<tr>
<td>TSO</td>
<td>Transportation Security Officer</td>
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