



# Screening Workforce Pay Strategy—Retention

Fourth Quarter, Fiscal Year 2021

*January 25, 2022*

Fiscal Year 2021 Report to Congress



**Homeland  
Security**

*Transportation Security Administration*

# Message from the Administrator

January 25, 2022

I am pleased to present the following report, “Screening Workforce Pay Strategy—Retention,” for the fourth quarter of Fiscal Year (FY) 2021, which was prepared by the Transportation Security Administration (TSA).

This report was compiled pursuant to direction in the Joint Explanatory Statement that accompanies the FY 2021 Department of Homeland Security (DHS) Appropriations Act (P.L. 116-260). It discusses plans for the rollout of pay initiatives for the TSA screening workforce.

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

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

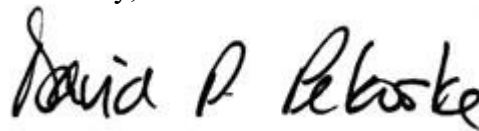
The Honorable Chuck Fleischmann  
Ranking Member, House Appropriations Subcommittee on Homeland Security

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

TSA implemented several new pay initiatives for its screening workforce with appropriated funds from the FY 2021 DHS Appropriations Act (P.L. 116-260). Given the complexities of transportation security officer (TSO) duties and responsibilities, pay policies must recognize TSOs' mission contributions, skills, performance, and tenure. This year, TSA implemented TSO Service Pay, Model Officer Recognition, and the next phase of TSO Career Progression. Those initiatives provide monetary and nonmonetary awards and pay increase opportunities.

This report provides the status of those initiatives and their effects on TSO retention levels for the fourth quarter of FY 2021:

- TSA processed and paid the first round of increases associated with TSO Service Pay, resulting in more than 35,000 TSOs receiving a pay increase.
- TSA completed the first three payouts for Model Officer Recognition awards, resulting in more than 10,000 monetary awards totaling more than \$2.8 million.
- TSA started working, through the selection process for the first round of pay increases associated with the latest phase of TSO Career Progression. As of the end of the fourth quarter of FY 2021, TSA made almost 700 TSO Career Progression selections.

TSA experienced less attrition in the screening workforce over the past year than prior to the Coronavirus Disease 2019 pandemic. This was likely because of the pandemic's effect on the economy and labor market. As the economy begins to recover, TSA is optimistic that these pay initiatives will have a positive effect on TSO retention levels, but anticipates that changes to the labor market may require further adjustment of investments in the TSO workforce to remain competitive with other employers.

Historically, TSA employees received limited pay progression because of budget constraints. Pay initiatives outlined in this report aim to compensate TSA employees at a level commensurate with the tremendous responsibility they have for the security of our transportation systems and are an important step in addressing workforce compensation issues.



# Homeland Security

## Screening Workforce Pay Strategy—Retention Fourth Quarter, Fiscal Year 2021

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# I. Legislative Language

This document has been compiled pursuant to direction in the Joint Explanatory Statement that accompanies the Fiscal Year (FY) 2021 Department of Homeland Security (DHS) Appropriations Act (P.L. 116-260), which states:

... within 90 days of the date of enactment of this Act and quarterly thereafter, TSA is directed to provide reports to the Committees on the effect of pay reform on TSO retention levels.

## II. Background

As discussed in the first three quarterly reports, the Transportation Security Administration (TSA) recognizes the need to provide its screening workforce with pay that attracts talented new recruits and that retains dedicated, skilled workers. To that end, TSA implemented the following initiatives:

- **Transportation Security Officer (TSO) Service Pay:** TSA is providing TSOs with predictable, annual salary increases that acknowledge enhanced experience and skill mastery. TSOs in E, F, and G bands 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. The first round of pay increases went into effect on April 11, 2021, with more than 35,000 TSOs receiving a pay increase.
- **TSO Career Progression:** TSA established a clearly defined career path with pay increases tied to enhanced skills and training for TSOs. In 2018, the new-hire TSO onboarding experience was changed to extend the training process and to associate a pay increase with the completion of new-hire training after 6 months of service. The phase of TSO Career Progression implemented this year provides a one-time pay increase for a significant number of competitively selected E-band TSOs who successfully complete certain advanced skills training and take on additional responsibilities. As of the end of the fourth quarter of FY 2021, TSA made almost 700 selections for its TSO Career Progression program.
- **Model Officer Recognition:** TSA developed a Model Officer Recognition program to identify and reward top TSOs in all pay bands for their ongoing contributions to the mission. TSOs selected for this recognition will receive monetary and/or nonmonetary awards this calendar year and pay increases in Calendar Year (CY) 2022. TSA completed the first three payouts for Model Officer Recognition awards, resulting in more than 10,000 monetary awards totaling more than \$2.8 million.

TSA is focused on providing transparent career progression and on improving overall compensation for TSOs with TSO Service Pay and the next phase of TSO Career Progression.

### III. Status of Initiatives

Although TSA is implementing these new initiatives, it will take time to see their effect on TSO retention levels. The status of each initiative is described below.

#### TSO Service Pay

TSA was appropriated \$25 million for TSO Service Pay in FY 2021 for progression within the pay-banding system. TSO Service Pay provides predictable annual salary increases that acknowledge enhanced experience and skill mastery. TSA processed the first round of pay increases associated with TSO Service Pay for more than 35,000 TSOs. TSA communicated this initiative to the workforce through a variety of means focusing on the benefit of sustained annual pay progression for all TSOs. For example, TSOs have access to tools allowing them to project their personal pay progression and to associate pay progression with the long-term value of a career with TSA. TSA also highlighted the number and amount of pay increases to the workforce as a way to illustrate its investment in them.

#### TSO Career Progression

The first phase of TSO Career Progression, implemented in 2018, provided 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. The next phase of TSO Career Progression builds on the prior phase by providing increased compensation for E-band TSOs who successfully complete certain advanced skills training and take on additional responsibilities.

The E-band pay increase provides a one-time pay increase of 5 percent for a significant number of E-band TSOs who apply and compete for it. As of the end of the fourth quarter of FY 2021, TSA made almost 700 selections for its TSO Career Progression program.

#### Model Officer Recognition

As part of this initiative, TSOs are recognized formally every quarter for their contributions and achievements through a structured process. TSA completed the first three quarters of awards for Model Officer Recognition, resulting in more than 10,000 monetary awards totaling just more than \$2.8 million.

Model Officer pay increases for the time period of January 1, 2021, to December 31, 2021, will occur in 2022. These increases, which are an additional 3 percent of the employee's salary, are highly competitive and are limited to no more than 5 percent of TSOs within a hub/spoke. The criteria for this award are based on the following:

- Technical application,
- Availability,
- Core values,

- Teamwork, and
- Command presence.

These three pay initiatives—focused on rewarding experience, skills development, and ongoing contributions to the mission—will ensure that TSOs have a realistic and predictable path to pay progression.



## IV. Analysis of Initiatives' Effects

TSA continues to experience challenges, such as private-sector labor market rates (particularly those imposed by airport authorities), when trying to compete in local labor markets. As the economy begins to recover from the Coronavirus Disease 2019 pandemic, TSA, along with other elements of the aviation industry, is seeing hiring competition increase significantly.

Although TSA experienced significantly less attrition in the screening workforce over the past year than prior to the pandemic, sufficient data are not yet available to analyze the effect of these pay initiatives on TSO retention levels. In addition, the pandemic's effects on the labor market make it difficult to correlate the implementation of these new pay initiatives with decreased attrition.

In addition to the pay initiatives, TSA took the following actions, which have helped to reduce attrition:

- Increased focus on full-time hiring,
- Greater contributions to health benefit premiums for part-time employees,
- Improved communication in the hiring process on what the TSO position entails,
- Improved overall employee readiness, and
- Renewed leadership focus on workforce morale.

A robust economic recovery, increases to minimum wage rates, and other recruitment and retention challenges complicate improvements in these areas. Previous experience—and other efforts to improve TSA employee engagement—show that workforce response to reforms takes time to understand.

TSA is optimistic that TSO Service Pay, the next phase of TSO Career Progression, and Model Officer Recognition will improve retention. **Figure 1** shows annualized attrition of the screening workforce over the past 4 years:

**Figure 1: Annualized Attrition for the Screening Workforce**

Fiscal Year	Screening Workforce Attrition Rate
2018	17.3%
2019	17.0%
2020	13.6%
2021	14.1%

Between FY 2018 and FY 2019, attrition rates for the screening workforce remained relatively stable in a time of a strong economy and little change to the screening workforce's pay. Before March 2020, attrition remained on a similar track; however, from that point forward, separations declined significantly.

TSA also looks at new-hire retention rates because the percentage of new hires who remain

employed for at least 1 year is an important indicator of overall organizational health. Historically, TSA has experienced difficulties in retaining new hires, given scheduling and job-fit issues, in addition to normal competition with other employers. For the past 4 years, TSA has seen some improvements in this area, as shown in **Figure 2**.

**Figure 2: New-Hire Retention**

<b>Fiscal Year</b>	<b>New-Hire Retention Rates</b>
2017	68.6%
2018	70.1%
2019	71.4%
2020	74.7%
2021	86.9%

As a result of these improvements, the Office of Personnel Management and the U.S. Government Accountability Office removed TSOs from a “high-risk occupations list” in December 2020.

This increase in retention rates may be related to improvements made with the realistic job preview given to applicants and the implementation of the first phase of TSO Career Progression. TSA will continue to monitor this metric to see if the new pay initiatives also increase new-hire retention rates.

Attrition slowly is approaching pre-pandemic levels as the economy improves. Indicators, such as 200 to 300 TSO separations per pay period, illustrate that retention challenges continue. TSA is monitoring these indicators closely to adapt to the post-pandemic labor market.

## V. Conclusion

TSA strongly believes that implementing these new pay initiatives will help to counter economic drivers, such as private-sector minimum wage increases, to remove pay progression disparity concerns, and to improve overall workforce retention. To monitor the effect of these initiatives, TSA will provide updated new-hire retention and overall TSO attrition rates in future quarterly reports. Monitoring these rates will help TSA to determine how well the initiatives are working and if they need to be adjusted.

TSO Service Pay provides steady and transparent growth in compensation by recognizing a TSO's tenure with TSA. The next phase of TSO Career Progression provides an increase in pay to TSOs who successfully complete certain advanced skills training and take on additional responsibilities. Model Officer Recognition allows TSA to recognize TSOs with monetary and nonmonetary awards for their ongoing contributions to the mission, as well as with pay increases beginning in CY 2022.

These initiatives require sustained funding, which DHS is committed to include in future budgetary requests. Additional funding will be necessary to continue to improve TSO compensation levels. TSA expects to see correlating improvements to screening workforce retention, experience, skill, and job satisfaction as these initiatives evolve and take hold over the next several years.

## Appendix: Abbreviations

<b>Abbreviation</b>	<b>Definition</b>
CY	Calendar Year
DHS	Department of Homeland Security
FY	Fiscal Year
TSA	Transportation Security Administration
TSO	Transportation Security Officer