



Screening Workforce Pay Strategy—TSO Hiring and Retention

December 19, 2022

Fiscal Year 2022 Report to Congress



**Homeland
Security**

Transportation Security Administration

Message from the Administrator

December 19, 2022

I am pleased to present the following report, “Screening Workforce Pay Strategy—TSO Hiring and Retention,” prepared by the Transportation Security Administration (TSA).

This report was compiled in response to the Joint Explanatory Statement accompanying the Fiscal Year (FY) 2022 Department of Homeland Security (DHS) Appropriations Act (P.L. 117-103). It provides an overview of TSA’s pay strategy for its screening workforce and relates these efforts to the Transportation Security Officer (TSO) hiring and 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, 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's most important assets are the dedicated professionals securing our Nation's transportation system.

One of the longstanding challenges at TSA has been the pay gap between TSA's frontline workforce and its counterparts in the rest of the Federal Government. The lack of equitable compensation in this area, compounded by years of insufficient pay progression, has continued to hinder TSA's ability to meet mission requirements in the recruitment and retention of employees. It also has had a negative impact on employee morale. We must compensate TSA employees appropriately to improve morale, retention, and the overall employee experience at TSA.

Given the complexities of TSO duties and responsibilities, pay policies must recognize TSOs' mission contributions, skills, performance, and tenure. Therefore, TSA implemented several new pay initiatives for its screening workforce with appropriated funds from the FY 2021 DHS Appropriations Act (P.L. 116-260): TSO Service Pay, Model Officer Recognition, and the next phase of TSO Career Progression. These initiatives provide monetary and nonmonetary awards and pay increase opportunities. The FY 2022 DHS Appropriations Act (P.L. 117-103) provided critical funding to continue executing these initiatives.

In FY 2022, TSA experienced slightly higher retention in the TSO screening workforce than before the Coronavirus Disease 2019 pandemic, likely due to its effect on the economy and labor market. As the economy continues to recover, TSA is optimistic that these pay initiatives will have a positive impact on TSO retention levels. However, changes to the labor market may require further adjustment of investments in the TSO workforce to remain competitive with other employers.

Historically, TSA employees, and in particular, TSOs, have received limited pay progression because of budget constraints. Pay initiatives outlined in this report aim to compensate TSA employees at a level equal with the tremendous responsibility that they have for the security of our transportation systems. These initiatives are an important step in addressing workforce compensation issues. Approximately 75 percent of current TSA employees make less than the minimum pay associated with its General Schedule equivalent.

To remedy this issue, TSA developed a pay equity plan to ensure that TSA employees are paid at a level that is commensurate with their counterparts on the General Schedule pay scale. The method used for pay conversion in the TSA pay equity plan is the same method for conversion under H.R. 903, Rights for the TSA Workforce Act of 2021, which the U.S. House of Representatives passed on May 12, 2022, and is now with the U.S. Senate. The President's FY 2023 Budget submission to Congress included \$870.9 million¹ to fund the pay equity plan. If Congress approves the budget as submitted, TSA plans to implement the pay equity plan within 90 days of receiving the appropriation.

¹ This amount in the President's Budget includes system changes and Office of Strategy, Policy, and Plans-related costs.

Finally, TSA has invested heavily in advanced screening technology. For example, TSA has reduced its use of labor-intensive screening equipment (e.g., explosives trace detection machines), which requires TSO interaction, and has increased its use of explosive detection systems, which are less labor-intensive but require greater analysis and judgment from TSOs. Even with the investment in advanced technology, TSA still has significant labor requirements, given the record number of passengers traveling and today's evolving security threats.

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 for TSO hiring and retention. TSA is optimistic that these initiatives will improve screening workforce retention levels, resulting in a more skilled, motivated, and experienced workforce.



Screening Workforce Pay Strategy—TSO Hiring and Retention

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I. Legislative Language

This report was compiled in response to the Joint Explanatory Statement accompanying the Fiscal Year (FY) 2022 Department of Homeland Security (DHS) Appropriations Act (P.L. 117-103), which states:

Screening Workforce Pay Strategy—TSA is directed to provide the Committees a quarterly report on pay reform efforts and the subsequent effect on TSO retention levels. Additionally, TSA shall provide a report to the Committees within 180 days of the date of enactment of this Act detailing the number of TSOs hired and corresponding retention levels since fiscal year 2016, delineated by fiscal year. As part of this report, TSA shall include a plan for continuous and sustained human capital investment that also incorporates the impact of new technologies and equipment that bring more capabilities to the 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: Transportation Service Officer (TSO) Service Pay, TSO Career Progression, and Model Officer Recognition (MOR). These initiatives, paired with advancements in technology, will help to develop a highly capable and effective frontline workforce by: aligning training with career progression, providing for annual pay increases, and recognizing high performers.

- **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 pay 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:** 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 first implemented in 2021 remains ongoing, providing a one-time pay increase for competitively selected E-band TSOs who successfully complete certain advanced skills training and take on additional responsibilities.
- **MOR:** TSA developed an MOR program to identify and reward top TSOs in all pay bands for their ongoing contributions to the mission. TSOs selected for this recognition receive monetary and/or nonmonetary awards and, for some, pay increases.

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.

These initiatives require sustained funding, which DHS is committed to include in future budgetary requests. However, additional funding is necessary to continue improving the compensation framework for TSA overall and to provide pay and pay progression equal with other Federal Government employees. To that end, \$870.9 million was included in the President's FY 2023 Budget submission to Congress to support the TSA pay equity plan. If

Congress approves the budget as submitted, TSA plans to implement the pay equity plan within 90 days of receiving the appropriation. With the exception of some or all of the MOR program, the pay initiatives discussed in this report would be discontinued and funding in TSA baseline would be applied to the total cost of pay equity. The pay equity cost in the President's FY 2023 Budget reflects this net cost.

These pay initiatives have coincided with TSA's investments in advanced screening technology, which has improved checkpoint effectiveness and efficiency greatly. However, TSA continues to have a significant hiring need for the screening workforce to support projected passenger volume levels for FY 2023. This need remains despite the use of a \$1,000 nationwide recruitment incentive, a \$2,000 recruitment incentive for those airports with persistent, long-standing hiring challenges, and a \$5,000 recruitment incentive at a select number of airports with the lowest applicant volume compared to hiring needs.

III. Current Status of Compensation Initiatives

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

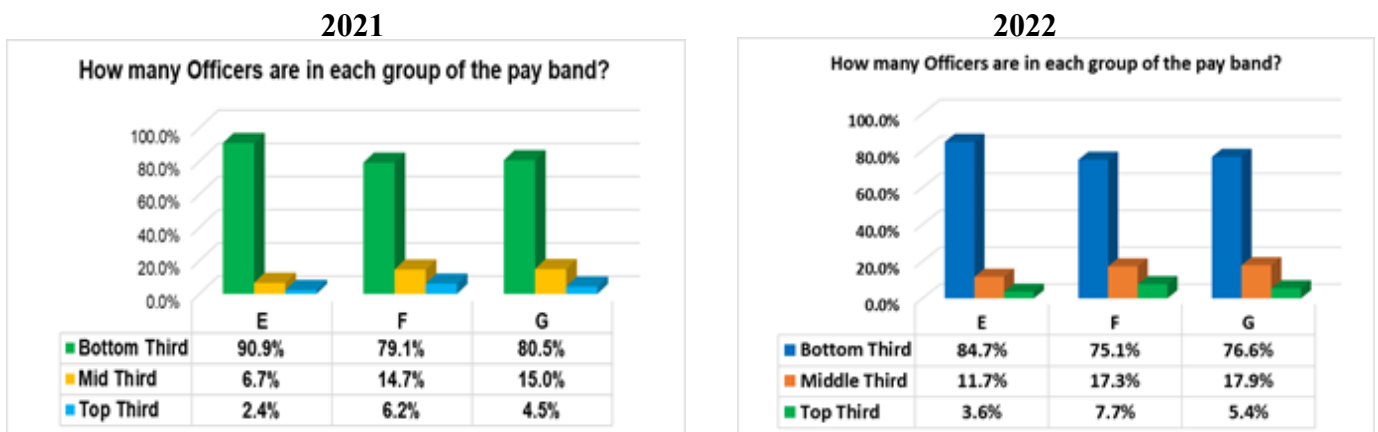
TSO Service Pay provides predictable annual salary increases that acknowledge enhanced experience and skill mastery. TSOs in the E, F, and G pay bands will receive annual service pay increases of 2 percent for those in the bottom third of the pay band, 1.5 percent for those in the middle third of the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

TSA was appropriated, as requested, \$72.6 million for TSO Service Pay in FY 2022. Approximately \$47 million of this funding annualizes the first round of pay increases provided to TSOs in FY 2021. These pay increases fully executed the remaining \$25.6 million of appropriated funding for this program.

TSA communicated this initiative to the workforce through a variety of means emphasizing the benefit of sustained annual pay progression for all TSOs. For example, TSOs have access to several pay calculators allowing them to project their personal pay progression. TSA also highlighted the number and amount of pay increases available to the workforce to illustrate its investment in them.

This initiative was developed specifically in response to the workforce’s concerns that no reasonable path existed for pay progression through their pay bands. **Figure 1** shows that most TSOs are in the bottom third of the pay band.

Figure 1: Percentage of TSOs in Each Group



Historically, TSA recognized workforce performance with one-time bonuses rather than with pay increases. This strategy 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 and led TSA employees to be underpaid compared to other federal agencies.

Figures 2 and 3 outline salary ranges at each level of the pay band over the past two fiscal years.

Figure 2: FY 2021 Base Salary Ranges

Pay Band	Bottom Third of Pay Band (2% Annual Increase)	Middle Third of Pay Band (1.5% Annual Increase)	Top Third of Pay Band (1% Annual Increase)
E	\$34,113 - \$39,006	\$39,007 - \$43,899	\$43,900 - \$48,791
F	\$37,283 - \$43,517	\$43,518 - \$49,751	\$49,752 - \$55,985
G	\$43,639 - \$51,630	\$51,631 - \$59,621	\$59,622 - \$67,612

Figure 3: FY 2022 Base Salary Ranges

Pay Band	Bottom Third of Pay Band (2% Annual Increase)	Middle Third of Pay Band (1.5% Annual Increase)	Top Third of Pay Band (1% Annual Increase)
E	\$34,864 - \$39,864	\$39,865 - \$44,864	\$44,865 - \$49,864
F	\$38,103 - \$44,474	\$44,475 - \$50,846	\$50,847 - \$57,217
G	\$44,599 - \$52,766	\$52,767 - \$60,932	\$60,933 - \$69,099

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 the E pay 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 limited 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 training and of associated on-the-job training requirements, TSOs are eligible for a pay raise. 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 builds on the first phase by providing increased compensation for E-band TSOs who successfully complete certain advanced skills training and who take on additional responsibilities. The second phase implementation began in early 2021, and FY 2021 appropriations provided \$11.3 million to support it. Funding for FY 2022 was annualized at the \$11.3 million level as requested, and no funding beyond this level is planned.

The second phase of TSO Career Progression 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. Beginning in 2021 through the third quarter of FY 2022, TSA selected more than 3,300 TSOs for the program.

TSA will continue to make selections for the second phase pay increase until it reaches full execution levels (4,500 TSOs); expenditures will increase accordingly.

Model Officer Recognition

As part of these initiatives, TSOs are recognized formally every quarter for their contributions and achievements through a structured process called MOR. TSA distributed more than 14,000 monetary awards during FY 2022. While appropriations are not directed specifically to this program, TSA plans to spend \$6.1 million in MOR in FY 2022. Funding is provided out of the TSO Personnel Compensation and Benefits appropriation.

On October 1, 2022, MOR moved from a calendar year program to a fiscal year program to align better with TSA reporting timelines. As a result, MOR for 2022 covered the period of January 1, 2022, through September 30, 2022.

Pay increases, which are an additional 3 percent of the TSO's salary, are highly competitive and are limited to no more than 5 percent of the TSO population within a hub/spoke alignment. In FY 2022, more than 2,400 employees received this pay increase, totaling more than \$1.7 million. The criteria for this pay increase are based on the following factors:

- Technical application
- Availability
- Core values
- Teamwork
- Command presence

These three pay initiatives—TSO Service Pay, TSO Career Progression, and MOR—focus on rewarding experience, skills development, and ongoing contributions to the mission. Together, they work to ensure that TSOs have a realistic and predictable path to pay progression. However, they are not enough to address the compensation issues at TSA.

TSA's pay equity plan achieves a level of compensation for TSA employees that equals its counterparts on the General Schedule pay scale. The President's FY 2023 Budget includes \$870.9 million to fund the pay equity plan.

Impact of Technology

TSA is responsible for the security of more than 440 federalized airports, with screening levels forecasted to reach or exceed pre-pandemic levels. As of October, more than 561 million travelers passed through TSA checkpoints in 2022. TSA must have sufficient staffing and efficient screening technologies to minimize wait times at security checkpoints while continuing to carry out TSA's critical security mission.

TSA always is involved in research and development (R&D) for new technologies to improve both threat detection and efficiency. Most R&D is coordinated out of TSA's Requirements and

Capabilities Analysis office. This research includes efforts to optimize TSO's screening experiences in terms of the design of screening equipment, procedures/screening processes employed, and training provided.

The evolution of technology at the checkpoint should enhance screening performance and should reduce some of the challenges that TSOs face. For example, initiatives to reduce the number of passengers and property that need additional screening has the potential to minimize stress and workload. With the deployment of computed tomography (CT), the transition to a common workstation is another example of technological development that could lighten TSO workload by supporting training better, by easing the transition between use of security equipment at the same airport, and by allowing more rapid user interface updates based on feedback from the field.

During the pandemic, TSA used certain technologies to create a more touchless screening environment to improve the safety of TSA's workforce and passengers. These technologies included:

- Deploying CT to passenger checkpoints nationwide. This new technology provides high-definition, three-dimensional images for TSOs to clear accessible property (carry-on items), which reduces the need for some physical bag inspections.
- Using new advanced imaging technology algorithms, which decrease false alarm rates and the number of subsequent pat-downs.

TSA takes account of the impact that updates to screening technology will have on the complexity of the TSO position and the screening experience for both the workforce and passengers.

IV. Analysis

As the economy recovers from the Coronavirus Disease 2019 (COVID-19) pandemic, TSA and the aviation industry are seeing hiring competition increase significantly. Unfortunately, in this extremely competitive employment market, candidates are likely to identify other job opportunities with private-sector employers that can hire quickly (for example, nonsecurity-related positions that do not require medical examinations). As a result, candidates may find alternative employment during the TSA hiring process

TSA recognizes that attrition of employees seeking upward career mobility is inevitable. TSA found that TSOs who do not separate in the first 18 to 24 months of employment often remain with TSA for a significantly extended period, ensuring continuity of operations, a highly skilled workforce, and more engaged employees.

The TSA screening workforce has experienced slightly higher new-hire retention in the past year. However, TSA attributes this, in part, to the COVID-19 pandemic and its effect on the economy and 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, TSA will not have enough data to analyze the full impact of these strategies on TSO hiring and retention for several years. **Figure 4** illustrates new-hire retention rates for FY 2016–2022.

Figure 4: New-Hire Retention Rates

TSO New-Hire Retention Rates							
	Total New Hires	2017	2018	2019	2020	2021	2022
2016	9,787	70.18%	56.30%	49.04%	43.48%	40.84%	N/A
2017	9,093		68.61%	54.86%	48.86%	45.08%	N/A
2018	10,787			70.06%	58.64%	54.45%	41.60%
2019	11,001				71.43%	62.68%	44.92%
2020	4,157					74.72%	51.48%
2021	6,536					82.3%	58.45%
2022	7,833						83.01%

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.

Through the continued use of TSO Service Pay, MOR, and TSO Career Progression, TSA is optimistic 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 the labor market normalizes.

In addition, TSA's focus on the continued health and safety of its workforce (and traveling public) through new technology also should contribute to increased retention rates.

V. Conclusion

TSA believes that these pay initiatives will continue to help counter economic drivers, such as attrition, lack of pay progression, and pay disparity concerns, and will improve overall workforce retention. These initiatives have coincided with investments in new advanced screening technology, to improve the TSO experience and to help manage increasing passenger volumes. Congress will continue to be updated on the technologies mentioned.

TSA will provide updated new-hire retention rates in future reports to monitor the effects of these initiatives. Monitoring these rates will help TSA 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 second phase of TSO Career Progression provides an increase in pay to TSOs who successfully complete certain advanced skills training and who take on additional responsibilities. MOR allows TSA to recognize TSOs with monetary and nonmonetary awards for their ongoing contributions to the mission, as well as with pay increases.

These pay initiatives, along with recruitment incentives, require sustained funding, which DHS is committed to include in future budgetary requests; however, additional funding is necessary to continue to improve TSO compensation levels. The lack of equitable compensation in this area, compounded by years of insufficient pay progression, hinders TSA's ability to meet mission requirements in the recruitment and retention of TSOs.

TSA's pay equity plan is designed to achieve a level of compensation commensurate with its counterparts on the General Schedule pay scale. The President's FY 2023 Budget submission to Congress included \$870.9 million to fund the pay equity plan. If Congress appropriates funding, TSA can implement the pay equity plan under its existing Aviation and Transportation Security Act authorities (within 90 days of receiving the appropriation).

Appendix: Abbreviations

Abbreviation	Definition
COVID-19	Coronavirus Disease 2019
CT	Computed Tomography
DHS	Department of Homeland Security
FY	Fiscal Year
MOR	Model Officer Recognition
R&D	Research and Development
TSA	Transportation Security Administration
TSO	Transportation Security Officer