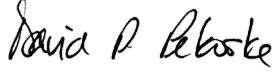


September 8, 2021

INFORMATION

MEMORANDUM FOR THE SECRETARY

FROM: David P. Pekoske 
Administrator

SUBJECT: TSA Workforce Compensation Initiatives

Purpose: As requested in your June 3, 2021 Memorandum, *Supporting the TSA Workforce Through Improving the Transportation Security Officer Experience*, attached is TSA's plan to compensate TSA employees similar to other federal employees on the General Schedule should funding become available. This plan also details the resources required for implementing full collective bargaining, Merit Systems Protection Board (MSPB) appeal rights, and compensation changes.

Discussion: Consistent with the June 3, 2021 memorandum, TSA developed this plan to address agency-wide compensation issues, subject to the availability of appropriations, including:

1. Matching enterprise-wide minimum compensation levels for TSA pay bands with General Schedule pay grade counterparts;
2. Providing a clear pathway for pay progression for all employees, regardless of occupation, related to their TSA work experience;
3. Providing pay and career progression for Transportation Security Officers (TSOs) comparable to other similarly-situated operational positions within the Department; and
4. Ensuring that pay-setting associated with a transition to a new compensation framework credits an employee's service in their current pay band with TSA.

Historically, TSA employees have received limited pay progression primarily due to budget constraints. Though recent initiatives such as TSO Service Pay and TSO Career Progression have increased compensation, the increases still have not resulted in compensation levels comparable to the General Schedule. Extensive analysis of both the General Schedule and the Aviation and Transportation Security Act (ATSA) compensation systems determined that either would meet the needs and requirements to implement the workforce compensation levels we seek to achieve.

- Cost: TSA would require \$1,128,111,723 in the first year of implementation and \$7,928,008,552 over the FYHSP to implement this plan. This does not include support costs of \$171.4M which are covered in detail in Attachment B and generally described below.

- Implementation: TSA can implement pay changes within 60 days of the receipt of appropriations as recommended in the plan

Additionally, TSA is providing a resource estimate for successful implementation and maintenance of the two other workforce initiatives described in the June 3, 2021 memorandum: MSPB appeal rights for TSOs and broader labor and collective bargaining rights for TSOs that mirror those provided under title 5, U.S. Code.

- Costs: TSA requires 958 Full Time Equivalents (FTEs) and \$171.4M in recurring funds on an annualized basis, of which \$120.5M is for salary costs and \$50.9M is for Operations and Maintenance
- To have an effective implementation in FY22, TSA requires 479 FTE and \$108.6M in additional resources beyond what is provided for in the FY22 President's Budget Request.

Timeliness: Your memorandum of June 3, 2021 requires TSA to submit a plan to implement appropriate compensation measures should funding become available 90 days from the date of the memorandum.

Attachments:

- Attachment A: Plan to Implement Appropriate Compensation Measures for the TSA Workforce*
- Attachment B: Resources for Successful Implementation of TSA Workforce Initiatives*
- Appendix: TSA Pay Compensation*

September 8, 2021

RESOURCES FOR SUCCESSFUL IMPLEMENTATION OF TSA WORKFORCE INITIATIVES

Executive Summary

To implement the administrative actions set forth in your June 3, 2021 Memorandum: *Supporting the TSA Workforce Through Improving the Transportation Security Officer Experience*, TSA requires additional staffing and funding outside of the Planning, Programming, Budget and Execution cycles. In particular, the new labor framework that mirrors rights and benefits in Chapter 71 of Title 5, to include an expanded scope of collective bargaining, and a new right to appeal to the Merit Systems Protection Board (MSPB) require resources in FY22 to stand up the new infrastructure to handle these matters as I anticipate administratively implementing both in FY22.

Additionally, TSA has identified support costs needed to implement the new compensation framework, should funding for implementation become available. This initiative will not be administratively implemented without an appropriation.

The resource needs are as follows:

- TSA requests 958 positions, 958 Full Time Equivalents (FTEs) and \$171.4M in recurring funds on an annualized basis, of which \$120.5M is for salary costs and \$50.9M is for Operations and Maintenance.
 - This \$50.9M includes \$8.5M not needed until implementation funding is available for the new compensation framework.
- To have an effective implementation of the labor and appeals initiatives in FY22, TSA requires 479 FTE and \$108.6M in additional resources beyond what is provided for in the FY22 President's Budget Request for TSA.
- These positions and FTE are needed in Human Capital, Security Operations, Chief Counsel and Training and Development;
- Most of the positions and funding are required to support the new labor framework; and,
- Funding is needed for costs of services provided by other agencies through reimbursable interagency agreements, additional arbitrations, expected needs of the Screening Partnership Program, additional training needs and litigation costs.

ATTACHMENT B

Following is a breakdown of annualized funding requirements by major functional area:

	Positions	FTEs	\$ in 000
Human Capital	317	317	\$72,955
Security Operations	557	557	\$65,092
Chief Counsel	57	57	\$18,092
Training and Development	27	27	\$15,247
TOTAL	958	958	\$171,386

Following is a breakdown of Positions/FTE by workforce initiative:

	Collective Bargaining	Appeals	Total
Positions/FTEs	910	48	958

Following is a breakdown of the annualized funding requirements by workforce initiative:

	Collective Bargaining	Appeals	Compensation ¹	Total
Salary Costs	110.8M	\$9.7M	--	\$120.5M
Operations & Maintenance	\$36.6M	\$5.8M	\$8.5M	\$50.9M

Background

TSA's screening workforce currently has an internal appeals board for adverse actions and a labor framework with limited collective bargaining. TSA does not have the resources to support an estimated tripling of TSA cases before the MSPB or a labor relations support system similar to that found at agencies such as U.S. Customs and Border Protection (CBP) or U.S. Immigration and Customs Enforcement (ICE) with long standing legacy labor programs under Chapter 71 of Title 5.

¹ Note these funds will not be needed until funding is available for implementation of the new compensation framework.

ATTACHMENT B

Discussion

Establishing the infrastructure in FY22 to support the increased MSPB caseload and implement the expanded labor rights to mirror Chapter 71 is a significant and resource-intensive undertaking that impacts multiple offices, functions, and operations at TSA. Should funding become available, the new compensation framework will also require additional support.

Specifically, TSA is requesting the following:

- Human Capital: 317 positions (300 for labor and 17 for appeals) and \$5M of funding for union representative offices and \$5M of funding for pay system modifications;
- Security Operations: 557 positions (for labor) and \$3.5M of funding to address needs of the Screening Partnership Program commensurate with a new compensation framework. This is a pay system cost to comply with contractual requirements;
- Chief Counsel: 57 positions (26 for labor and 31 for appeals) and \$3.5M of funding for MSPB services and potential Federal Labor Relations Authority (FLRA) services and other costs; and,
- Training and Development: 27 positions (for labor) and \$10M of funding to address training needs for the new labor framework and recurring training regarding collective bargaining.

Human Capital. TSA requires Human Resources positions to provide on-site technical authority and expertise related to the new labor framework, including expanded collective bargaining, and the execution of personnel-related matters such as recruitment & hiring, staffing, and employee relations in this new labor environment and potentially a new compensation framework. As indicated above, the new compensation framework will require additional support not included in the position numbers below. Human Capital requests:

Labor

- 270 Human Resources Specialist positions are needed at the airports to provide day to day advice and guidance to local management regarding the specific application of a robust Chapter 71 labor framework. This includes, but not limited to, advice on such matters as formal meetings, investigations, official time, and representational issues;
- 10 Human Resources Specialist positions at TSA Headquarters to support the coordination and implementation of various systems and policies that will be established under a Chapter 71 labor framework, including expanded collective bargaining;
- 20 Labor Relations Specialists to support the expanded labor relations program under Title 5, and to provide regional oversight for operation of the program throughout the field including, but not limited to, liaison with local union representatives, local labor issues, grievances, and contract administration;² and,
- \$5M for approximately 500 offices for union representatives with a cost of \$10K per office.

² In comparison to CBP, there are two separate components, i.e., Field Services Division (FSD) and the HQ LER Division. The FSD is comprised of approximately 70 Labor and Employee Relations Specialists, and the HQ division is comprised of approximately 20 Labor and Employee Specialists.

ATTACHMENT B

Appeals

- 17 Employee Relations Specialists to provide technical advice on the additional cases that will be covered by the MSPB appeals process and specific matters including, but not limited to, medical issues, performance management, and leave management.

Pay

- \$5M for new system configuration costs to implement the new compensation framework. This \$5M of funding will not be needed until implementation funding is received for the new compensation framework.

Security Operations. As the office in which the entire bargaining unit resides, Security Operations requires additional positions to implement expanded collective bargaining. These resources would be dedicated to union representation of the bargaining unit employees, awareness training for the workforce, and Transportation Security Manager and Headquarters Operations Management support of labor-related activities. Security Operations requests:

Labor

- 217 FTE to account for the expected increase in official time for union representatives representing the bargaining unit employees. Official time will be newly negotiable and allocating and planning for increased official time is critical to effectively support the transition to, and maintain a successful collective bargaining environment, while ensuring that the FTE level also meets operational needs including passenger throughput demands. This includes:
 - Eleven (11) AFGE Council 100 officers (11 FTE);
 - An estimate of an average of one (1) AFGE representative for every 260 TSOs at locations with 25 or more officers (188 FTE); and,
 - An estimated bank of 37,500 hours for representatives at locations with less than 25 officers (18 FTE).³

Activities supported by this time would include, but is not limited to:

- Participating in meetings with management concerning personnel policies, practices or other general conditions of employment;
- Preparing for and presenting unfair labor practice charges or unit clarification petitions including preparation for and participation in any Federal Labor Relations Authority investigation or hearing as a representative of the Union;
- Preparing and delivering written and/or oral replies to notices of proposed disciplinary, adverse or unacceptable performance actions;
- Preparing for and presenting appeals in connection with statutory or regulatory appeal procedures in which the Union is designated as the representative; and,
- Preparing for and participating in grievance meetings and arbitration hearings;
- 167 FTE for recurring and new hire training of officers as well as 35 FTE for additional Security Training Instructors (STIs) to administer the training in the field. This will provide 5 hours (125 FTE) each year to ensure the existing workforce is trained regarding

³ In comparison to CBP, NTEU representing approximately 40,000 employees has approximately 78 union representatives on 100% official time. AFGE representing approximately 20,000 employees has official time in an amount not to exceed 74 FTE positions (equaling 153,920 hours).

ATTACHMENT B

labor relations and collective bargaining matters and will provide 10 hours (42 FTE) of training for new hires;

- 126 FTE increase in Transportation Security Managers to support the additional administrative tasks related to expanded collective bargaining. This will provide additional manager resources at a 50% level of the official time allocated to representing the workforce as well as 18 FTE to lead and administer the additional planned training; and,
- 12 FTE for Security Operations Headquarters Staffing to support the expanded collective bargaining and labor framework. These tasks include: implementing management directives to adhere to collective bargaining agreement requirements; providing collective bargaining agreement compliant guidance and tools related to annual shift bids, leave bids, and staffing requirement development; serving as conduit between Security Operations headquarters HR staff and the field as these issues and initiatives are addressed; assisting with additional budget reporting and funds tracking as they pertain to these requirements; addressing complexities as introduced into the selection and deployment of National Deployment resources; and responding to labor-related inquiries.

Pay

- \$3.5M of additional General Expenses funding for the expected Screening Partnership Program contractors' requests for equitable adjustment to increase the wages of those effected by any changes in minimum compensation at the D, E, F & G bands. *See* 49 U.S.C. § 44920(c). These contractors are required to provide compensation at or above the minimum compensation offered to the federal workforce, and attest to that on a quarterly basis. When minimum compensation rates are changed, such as via a federal pay increase, TSA requests contractors submit a request for equitable adjustment with documentation to increase the wages of those effected by the change in minimum compensation at the D, F & G bands. This \$3.5M of funding will not be needed until implementation funding is received for the new compensation framework.

Chief Counsel. TSA needs increased legal resources to be commensurate with that of its DHS counterparts to: advise on new labor issues, participate in labor negotiations that now will have no time limitation, ensure the legal sufficiency of actions being presented for the first time to MSPB, and to represent the agency in an increased number of cases before MSPB, potentially all new cases before the FLRA and an increased number of arbitrations. Currently, TSA's attorney to client ratio is 1:360. By comparison, CBP, with a similarly sized workforce but more robust labor practice under Chapter 71 or Title 5, has an attorney to client ratio of 1:139.⁴ Chief Counsel requests:

Labor

- 19 attorneys and seven support staff to support the new labor framework. This includes:
 - Eight attorneys and two support staff for General Law to handle the anticipated significant rise in questions from management in the field and Headquarters regarding the new labor framework, collective bargaining support, and advice on policies and training for this new framework;

⁴ OPM FedScope data, March 2021.

ATTACHMENT B

- Seven attorneys and two support staff for Litigation to handle the significant increase in arbitrations and potentially a new practice area of cases before the FLRA; and,
- Four attorneys and three support staff in Field Operations to ensure attorneys in the field continue to timely and effectively address the agency's mission and support of management in this new labor environment, thus reducing matters that would otherwise result in litigation.

Appeals

- 26 attorneys and five support staff to support the new appeals process. This includes:
- Four attorneys and one support staff in General Law to provide policy and training advice as well as additional advice on screening workforce disciplinary matters;
- 18 attorneys and two support staff in Litigation to handle an increased number of MSPB cases; and,
- Four attorneys and two support staff for Field Operations to advise Federal Security Directors and field management on the new appeals environment for the screening workforce, thus reducing matters that would otherwise result in litigation; and,
- \$3.5M of additional General Expenses funding for specialized training, court reporter and transcript costs, and costs for services of the MSPB and potentially the FLRA.

Training and Development. TSA requires additional positions at Headquarters and at the TSA Academies⁵ to continually provide the necessary training to thousands of senior leaders and supervisors, and eventually to the entire 65,000-person workforce, as the new labor framework evolves. Properly training the TSA workforce is critical to successful implementation of this initiative. Training and Development requests:

Labor

- Seven new Instructional Systems Specialist positions to analyze materials, determine an appropriate delivery model, and develop them into valid and sustainable training vehicles. Over 20 training courses will require updating on an annual basis, and the entire portfolio (potentially hundreds) of training courses will require review to determine if updates are needed. These employees will need to work extensively with subject matter experts in Human Capital, Chief Counsel, and other stakeholder offices to develop new training options to ensure the workforce is equipped with the knowledge and skills they need to effectively manage the new labor framework and maximize its partnership with AFGE. These employees will enable Training and Development to quickly make required changes and remain nimble as training content and requirements evolve;
- 20 instructors at the Academies to deliver the additional annual training and courses to almost 65,000 employees associated with the new labor relations environment. Training Instructors are used to deliver training to new hire Transportation Security Officers and tenured officers at all levels of leadership, and they will need to deliver recurring annual in-person and virtual training offerings in connection with this new initiative; and,

⁵ TSA Academies are located on the Federal Law Enforcement Centers (FLETC) campus in Glynco, Georgia and Charleston, SC, and in Las Vegas. These Academies are the primary home of TSO new hire training, as well as training for Transportation Security Inspectors, Security Training Instructors, and others.

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- \$10M of additional General Expenses funding for upfront and recurring training on any new Collective Bargaining Agreement that is needed across TSA for current staff, supervisors, managers, and new employees.

Conclusion

As discussed above, TSA's current resources are not adequate to successfully implement the initiatives in the June 3, 2021 memorandum. Funding is required in FY22 to stand up the new infrastructure for expanded collective bargaining, appeal rights for the screening workforce, a new compensation framework for the the entire TSA workforce, and, when appropriations are made, to fund the administration of the compensation framework.

Given the staffing as compared to other DHS components with established labor and appeals environments, TSA support resource estimates described in this memo are needed to implement the important initiatives.

PREDECISIONAL

Appendix

Plan to Improve TSA Compensation

September 1, 2021

Assumptions

- Ensure maximum consistency with HR903
- Align staffing level in cost models with FY22 President's Budget FTE level
 - 2021 pay file used in modeling and adjusted for anticipated increase to FTE
 - Cost estimate would need to be adjusted if staffing requirements increase above FY22 President's Budget
- Provide pay structure comparability with other federal agencies in GS system

PREDECISIONAL

Comparison of HR903 and TSA Recommendation

	HR 903	ATSA Approach
System	General Schedule	TSA Pay Bands
Conversion Methodology	Credit employees for years in current band	
Minimum Pay Level	GS Pay Table minimums	
Maximum Pay Level	GS Pay Table Maximums <i>Use Title 5 adjusted pay cap of \$172,500</i>	Use the higher of GS Pay Table max or TSA Pay Band max; TSA Band max's currently < GS equivalent step 10: E, F, G, H, I TSA Band max's that are > GS equivalent step 10: D, J, K, L Maintains TSA's adjusted pay cap of \$186,067
Amount of Pay Increase	GS Pay Table has ten equal step increases for each grade	TSA Pay Band has ten equal step increases for each band
Frequency of Pay Increase	Annually for Steps 1,2,3; Biennial for Steps 4,5,6; Triannual for Steps 7,8,9	
TSO Career Advancement	Implied TSO Workforce Career Ladder – Grades 5/7/9	TSO Workforce Career Ladder – Pay Bands D/E/F

PREDECISIONAL

HR903 and TSA Recommendation – Cost and Variances

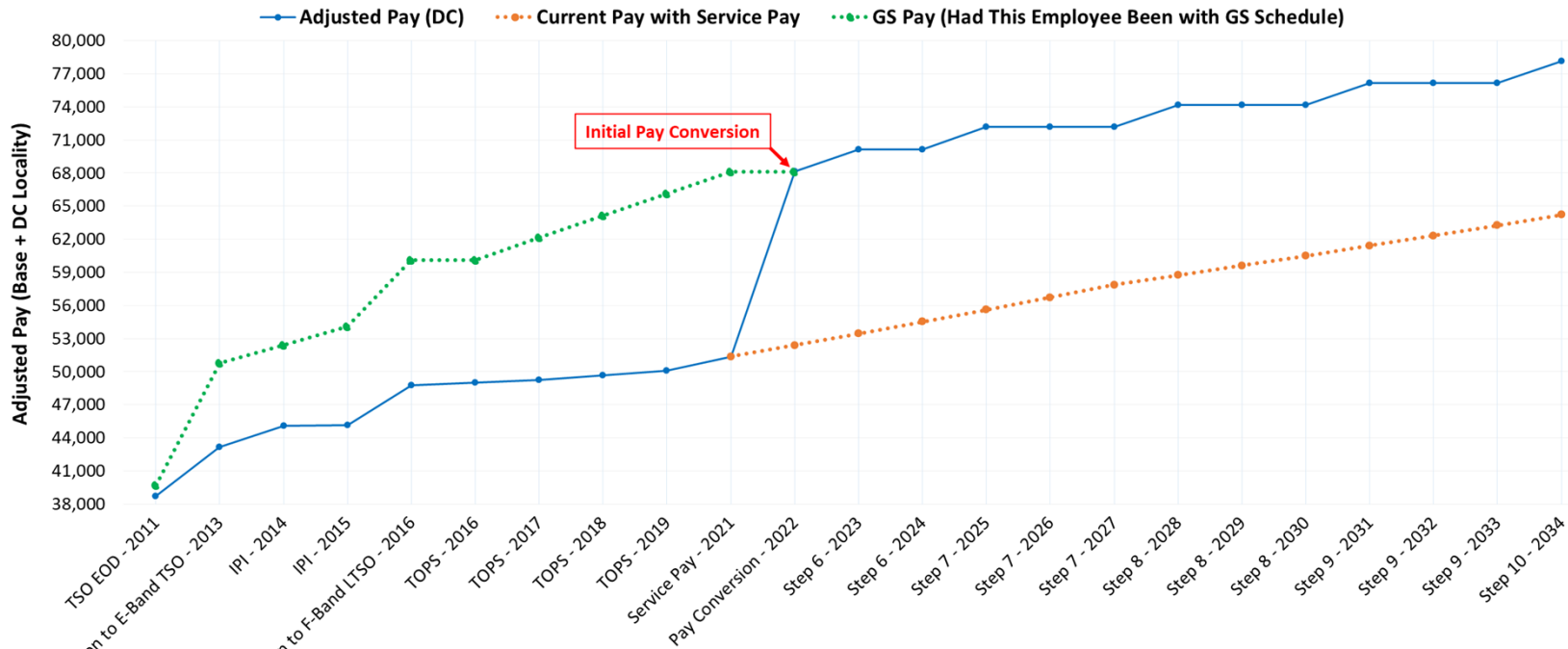
	HR 903	ATSA Approach
Cost	\$7.925B	\$7.928B
System	General Schedule	TSA Pay Bands
Conversion Methodology	Credit employees for years in current band	
Minimum Pay Level	GS Pay Table minimums	
Maximum Pay	GS Pay Table Maximums Use Title 5 adjusted pay cap of \$172,500	Higher of GS Pay Table max or TSA Pay Band max; Maintains TSA's adjusted pay cap of \$186,067
Amount of Pay Increase	GS WIGI Amount	GS WIGI with small variation
Frequency of Pay Increase	Annually for Steps 1,2,3; Biennial for Steps 4,5,6; Triannual for Steps 7,8,9	
TSO Career Advancement	Implied TSO Career Ladder 5-7-9	TSO Career Ladder D-E-F

- TSA recommendation maintains all current pay bands and TSA adjusted pay cap
- FTE funded: 58,089 - FY22 President's Budget
 - Cost would be revised if volume trajectory continued to increase and necessitated additional TSO staffing

PREDECISIONAL

Effect of Conversion on Individual Employee – F-Band LTSO with 5 Years in Band (Started in 2011 as a D-Band TSO)

Adjusted Pay Progression for a Current F-Band LTSO with 5 Years in Band, Started in 2011 as a D-Band TSO (Including DC Locality of 30.48%)



Actual Salary History from EOD to Current and Future Prediction

Past pay [before 2021] includes 1.5% annual inflation so that all the years have salaries in today's dollar value. Previous General Pay Increases (commonly referred to as government-wide cost of living adjustments) not reflected in salary history due to inflation adjustment to current day dollars.

PREDECISIONAL

Proposed Pay Structure

Proposed New TSA Pay Schedule - Pay Progression from Min to Max of Each Band

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	
TSA Band	Step 1	Step 2	Step 3	Step 4	Step 4	Step 5	Step 5	Step 6	Step 6	Step 7	Step 7	Step 7	Step 8	Step 8	Step 8	Step 9	Step 9	Step 9	Step 10	Proposed TSA WGI
B	19,738	21,062	22,386	23,710	23,710	25,034	25,034	26,358	26,358	27,682	27,682	27,682	29,006	29,006	29,006	30,330	30,330	30,330	31,654	1,324
C	24,216	25,628	27,040	28,452	28,452	29,864	29,864	31,276	31,276	32,688	32,688	32,688	34,100	34,100	34,100	35,512	35,512	35,512	36,924	1,412
D	30,414	31,751	33,088	34,425	34,425	35,762	35,762	37,099	37,099	38,436	38,436	38,436	39,773	39,773	39,773	41,110	41,110	41,110	42,447	1,337
E	37,674	38,930	40,186	41,442	41,442	42,698	42,698	43,954	43,954	45,210	45,210	45,210	46,466	46,466	46,466	47,722	47,722	47,722	48,978	1,256
F	46,083	47,619	49,155	50,691	50,691	52,227	52,227	53,763	53,763	55,299	55,299	55,299	56,835	56,835	56,835	58,371	58,371	58,371	59,907	1,536
G	55,756	57,615	59,474	61,333	61,333	63,192	63,192	65,051	65,051	66,910	66,910	66,910	68,769	68,769	68,769	70,628	70,628	70,628	72,487	1,859
H	66,829	69,057	71,285	73,513	73,513	75,741	75,741	77,969	77,969	80,197	80,197	80,197	82,425	82,425	82,425	84,653	84,653	84,653	86,881	2,228
I	79,468	82,117	84,766	87,415	87,415	90,064	90,064	92,713	92,713	95,362	95,362	95,362	98,011	98,011	98,011	100,660	100,660	100,660	103,309	2,649
J	93,907	97,100	100,293	103,486	103,486	106,679	106,679	109,872	109,872	113,065	113,065	113,065	116,258	116,258	116,258	119,451	119,451	119,451	122,644	3,193
K	110,460	114,316	118,172	122,028	122,028	125,884	125,884	129,740	129,740	133,596	133,596	133,596	137,452	137,452	137,452	141,308	141,308	141,308	145,164	3,856
L	110,460	117,164	123,868	130,572	130,572	137,276	137,276	143,980	143,980	150,684	150,684	150,684	157,388	157,388	157,388	164,092	164,092	164,092	170,796	6,704

PREDECISIONAL

Funding Required over FYHSP

Year	FY21	FY22	FY23	FY24	FY25	Total
1	1,128,111,723	1,128,111,723	1,128,111,723	1,128,111,723	1,128,111,723	5,640,558,616
2	-	272,374,220	272,374,220	272,374,220	272,374,220	1,089,496,878
3	-	-	274,718,608	274,718,608	274,718,608	824,155,823
4	-	-	-	142,065,051	142,065,051	284,130,102
5	-	-	-	-	89,667,132	89,667,132
Total	1,128,111,723	1,400,485,943	1,675,204,550	1,817,269,602	1,906,936,734	7,928,008,552