

Statement of

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Delivery

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“The TSA Workforce Crisis: A Homeland Security Risk”

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Good morning Chairman Correa, Ranking Member Lesko, and distinguished members of the subcommittee. I am honored to appear before this Subcommittee to discuss the work of the Blue Ribbon Panel and our findings and recommendations.

The Panel was chartered by TSA at the direction of Administrator David P. Pekoske to provide a neutral third-party review of TSA’s Human Capital Operations. He also asked that we examine how human capital policy decisions have affected the Transportation Security Officer (or TSO) workforce. During our initial meeting with Administrator Pekoske, it was evident to the Panel that he is seeking solutions to address human capital issues and, specifically, to deal with concerns from Transportation Security Officers.

Other members of the Panel are former OPM Deputy Director Dan Blair, former Partnership for Public Service Vice President John Palguta, noted Labor Economist Dr. Laurie Bassi. We interviewed members of TSA's Office of Human Capital staff, leaders of other Headquarters organizations, visited 7 airports where we conducted 36 Focus Groups with Transportation Security Officers. We met with the firms that provide much of TSA's Human Capital support, and also reviewed numerous TSA documents and plans, examined customer service and employee survey data, and conducted a variety of quantitative and qualitative analyses.

Our findings were in two major areas:

- Support for the TSO Workforce, and
- Human Capital Service Delivery

We spent a considerable amount of our time looking at issues that related to the TSOs, who identified multiple drivers of morale problems and turnover, including perceptions of favoritism in promotions and work assignments, pay, and working conditions. The most significant of those issues was pay.

The Panel found that TSO pay was competitive in some labor markets, and not at all competitive in others. Some airports are competing with employers, such as Amazon, that draw from a similar entry-level talent pool. TSA has a high level of TSO turnover during their first 2 to 3 years, and performance management and pay policies make it difficult for TSOs to advance in their Pay Bands. For example, an E-Band TSO with an outstanding performance rating could take 30 years to reach the top of the Pay Band. The Panel noted that while TSO turnover is higher compared to other agencies, it is not high in comparison to many private sector employers

who recruit from a similar entry level talent pool, where turnover of 20 percent is not uncommon. What distinguishes TSA is the investment of significant resources in training new officers and their critical homeland security mission, which make turnover costly and disruptive. The Panel made multiple recommendations to address TSO pay, progression within pay bands, use of promotion boards to provide transparency in promotions, establishment of new TSO positions in higher Pay Bands, and use of predictive modeling to determine the relationship between pay and turnover.

Improving TSA's human capital programs requires an effective human capital infrastructure. TSA's Human Capital Services are provided by a mix of Office of Human Capital, airport staff, and three major contractors. The Panel found that TSA needs to do more to delineate the responsibilities of those groups.

The Panel also found that the Office of Human Capital suffers from poor morale, inadequate teamwork and lack of strategic focus to inform policy and program decisions. Some areas, such as position classification, experience an overwhelming workload aggravated by their own policy decisions. We found a high level of frustration among the Human Capital staff and their customers, people who genuinely want to deliver good service. Some of that frustration was the result of TSA's disjointed Human Capital systems that create inefficiencies, make errors more likely, and require significant work-arounds that consume valuable labor hours.

The field HR staff we interviewed are also striving to deliver good service, but often lacked training on HR matters needed to succeed. Many are former Officers who have not received adequate training, or are on details to HR. Some are transferred back to screening operations just as they become comfortable with the HR duties. The Panel made a number of recommendations

for addressing this situation, including establishing permanent assignments, standardizing job descriptions, providing better training, and ensuring alignment with newly established Human Capital Business Partner positions. The Panel believes these will ensure a stronger field HR staff who are equipped to meet the needs of TSOs at their work locations.

We also interviewed project leaders from the firms providing HR services. Those services include Human Capital Help Desk support, hiring, and technology infrastructure and systems. Most reported the same IT problems as federal staff, amplified by the lack of an Integrator for the three major contracts. Each firm offered ideas for improving services.

The Panel made several recommendations for improvements to the TSO hiring process, which now averages about 270 days. The lag between applying and beginning work causes many applicants to drop out, as does the technology supporting hiring. For example, USAJobs is designed for the larger federal workforce, including current federal workers. TSA competes for entry-level talent who are not accustomed to government hiring processes. The Panel learned that many applicants who attended recruiting events did so because they were unable to apply via USAJobs. A nine-month hiring process in tight labor markets where private sector employers make offers in a fraction of the time, combined with low unemployment, will cause significant hiring challenges for TSA. TSA's ATSA flexibilities will enable it to make improvements that are not available to agencies covered by Title 5.

Finally, the Panel heard many suggestions that TSA transition to the General Schedule to solve pay and hiring problems. If the Panel believed such a move would accomplish those goals, we would agree. We believe it would not. The agencies that use the General Schedule complain about its inflexibility and lack of labor market sensitivity. It still takes 18 years to get to Step 10.

General Schedule job classification is governed by classification standards that often take OPM years to develop and infrequently updated. The National Academy of Public Administration, the Partnership for Public Service, and other good government organizations have recommended replacing the General Schedule with a system that is better suited to today's workforce, versus an outdated system designed for the mostly clerical workforce of 1949.

Not only is the General Schedule inflexible, transitioning the TSO workforce from current pay bands to GS grades and steps could have significant unintended consequences. It could result in pay raises in locations where they are not needed, and inadequate pay raises where they are badly needed. In fact, there is no guarantee the General Schedule would result in grade levels that would actually increase overall pay, and any pay raises would still require appropriation of more labor dollars. Given all of this uncertainty, including the potential for civil service reform, and the likelihood that the General Schedule would not solve the most critical hiring and pay problems, the Panel believes the most effective way to move quickly to solve TSO pay and hiring issues is to increase the use of flexibilities TSA already has under ATSA.

Chairman Correa, Ranking Member Lesko, and members of the subcommittee, thank you for the opportunity to testify before you today. I look forward to your questions.